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Daily Report

China

FBIS-CHI-90-016
Wednesday
24 January 1990

Daily Report

China

FBIS-CHI-90-016

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United States & Canada

Consul General Hosts New York Receptions

OW2301213890 Beijing Domestic Service in Mandarin
1700 GMT 23 Jan 90

[Text] Weng Fupei, Chinese consul general to New York, hosted two receptions at the general consulate on the evenings of 19 and 22 January to mark the first Spring Festival of the 1990's with more than 1,000 overseas Chinese, countrymen from Taiwan, and American friends.

In his toast, Weng Fupei examined the course China has traversed during the 1980's, pointing out that the exceptional successes China has achieved in its four modernization drive have impressed the whole world.

He said: The State Council's recent announcement to lift the martial law in some parts of Beijing is an indicator of China's political stability. He added: We are determined to safeguard our national stability like we protect our own eyes. We will consolidate and develop our nation's political stability and unity and continue to push forward the great cause of building a socialist society with distinctive Chinese characteristics.

Weng Fupei praised the vast number of Overseas Chinese and countrymen from Taiwan for their contributions to national independence, liberation, and construction, as well as the significant part they played in the great cause of revitalizing China and reunifying the motherland during the past decade.

Weng Fupei urged the vast number of Overseas Chinese and countrymen from Taiwan to continue to contribute to the development of friendship and cooperation between China and the United States and between the Chinese and American peoples.

Soviet Union

'Top-Secret' CPC Documents Criticize Gorbachev

HK2401105190 Hong Kong CHENG MING in Chinese
No 148, 1 Feb 90 pp 6-8

["Notes on the Northern Journey" by Lo Ping (5012 0393): "Top-Secret Documents of the CPC on Repudiating Gorbachev"—first two paragraphs are CHENG MING's introduction]

[Text] Jiang Zemin criticized Gorbachev, saying that he "is basically of the ilk of Karl Kautsky of the Second International, as he has betrayed the international communist movement and the Communist Party." Jiang said: "He just cannot shirk his responsibility for the currently deteriorating situation in Eastern Europe." In this connection, the CPC top leadership has decided to downgrade the party's relations with its Soviet counterpart. The Beijing Municipal CPC Committee has promptly mobilized its professional writers to start a new round of criticism against the CPSU.

It is said that the CPC has drawn up a secret plan and will begin to deploy an additional 18 divisions of troops along the Sino-Soviet border this spring. A strategic staff officers' group has already been sent to inspect strategic points along the border.

Jiang Zemin Made an Appraisal of Gorbachev

Immediately after the downfall of Ceaucescu and the drastic change in Romania, the CPC Political Bureau held a series of urgent meetings in only a few days to work out a policy to cope with the changing situation, to seek a consensus regarding propaganda work, and to adopt precautionary measures at home.

CPC General Secretary Jiang Zemin made an appraisal of Gorbachev during these meetings. He criticized Gorbachev, saying that "Gorbachev is basically of the ilk of Karl Kautsky of the Second International, as he has betrayed the international communist movement and the Communist Party." Jiang said: "He just cannot shirk his responsibility for the currently deteriorating situation in Eastern Europe."

Deng Xiaoping also sternly condemned Gorbachev for his wrongdoings in interfering in Eastern Europe's internal affairs and manipulating the reform movement there. Deng Xiaoping said: Our struggle against Gorbachev in the days to come does not appear to be an easy one! Deng Xiaoping also asserted: Gorbachev seems to be a tougher fellow to be dealt with than Khrushchev was. We only fired several shells (denoting the "Nine Commentaries Criticizing Revisionism"), and Khrushchev was down. China "still has to guard against the north. After all, the threat from the north is serious!" Deng said.

For the first time Chen Yun expressly noted: "The fatal point of Gorbachev's new thinking is capitulation and retrogression. We in the CPC must never treat it lightly!"

The Seven Points of the Top-Secret Documents

After the above-mentioned Political Bureau meetings, the CPC Central Committee circulated relevant documents among high-ranking party, government, and Army cadres.

It is reported that the CPC Central Committee has issued at least seven important documents around the New Year's Day.

These top-secret documents issued by the CPC Central Committee contain the following:

1. An analysis of the drastic changes in Eastern Europe and the Romanian case.
2. The CPSU leader Gorbachev is responsible for the changes in Eastern Europe.
3. The five principles guiding international relations still must be observed as a basis when dealing with Eastern European countries.
4. It is stressed that Eastern European communist parties are different from the CPC in terms of the way by which

they seized power, and therefore the Romanian case and the 4 June incident in China cannot be mentioned in the same breath.

5. The CPC insists that the way of handling the 4 June incident was correct and in keeping with China's national conditions. The CPC must stick to its own path no matter what happens in the world.

6. If turmoil breaks out again, it must be quelled ruthlessly without delay. One must watch out for any sign of possible turmoil and had better put the flames out before they spread far and wide.

7. It is necessary to resolutely implement a domestic policy with a view to maintaining overall stability; to keep commodity prices under strict control; and, in particular, to make sure that the people will pass a pleasant New Year and Spring Festival season.

Special Measures Were Taken To Keep the Circulated Documents Confidential

What has surprised people is that the measures taken to keep the circulated documents confidential were peculiar as compared with the way by which the CPC handled these matters in the past since its rise to power in China.

The CPC's top leadership suspected the safety of the present security system. On the other hand, because these top-secret documents concerning international relations and China's foreign relations are of great importance, the CPC Central Committee decided to send them over the wireless to all departments, ministries, commissions, and military regions, lest they should leak out. The documents thus filed were received by confidential work departments of the above-mentioned organs and were then handed to the top leading persons of these organs, who would in turn relay the documents to the lower levels. Immediately after that, the documents were returned to confidential work departments for filing according to security regulations.

Li Peng's Visiting the USSR Cannot Hide the Fact of the Cooling Off in Sino-Soviet Relations

Many senior cadres inside the party show great concern for the development of Sino-Soviet relations at present. People believe that to shift the line of vision of domestic struggles, the CPC revealing Gorbachev's "revisionist line of surrender and retrogression" will inevitable lead to a cooling off in Sino-Soviet relations. Although high-ranking Sino-Soviet contacts and ties continue and Li Peng is soon to visit Moscow, they cannot hide the fact that Sino-Soviet relations have worsened to a certain extent.

The Document Stipulates That an Attitude of Being Neither Indifferent Nor Enthusiastic in Diplomatic Contacts With the USSR Be Adopted

Regarding the relations with the USSR, a document by the CPC Foreign Ministry pointed out that because Gorbachev has adopted a revisionist line of surrender and retrogression, no significant progress will be made in CPC-CPSU relations, and normalization is confined to

diplomatic relations only at present. The Foreign Ministry's document has also explicitly pointed out, "embassies stationed in foreign countries should adopt an attitude of being neither indifferent nor enthusiastic in public." At the same time, it stipulated: "Participation in Soviet diplomatic activities be kept at, and under the level of, consul general."

Open Mass Criticism and Labelling Will Not Be Conducted

Some CPC senior cadres forecast that the possibility of a new Sino-Soviet polemic exists. However, one of the present CPC diplomatic policies is: Restraint from mass criticism against, labelling, and intervention in their domestic affairs.

Of course, criticism and labelling inside the CPC are another kettle of soup, and, in actuality, have already begun.

Will "A Second Zhenbao Island Incident" Surface?

Information from a military source, which can be rather shocking but not yet proved, says that the CPC has already formulated a plan in secret to deploy forces in terms of 18 divisions along the Sino-Soviet border beginning this spring. A strategic staff group consisting of leading members of the General Staff Headquarters, the General Logistics Department, and other important departments arrived in secret at an important section on the Sino-Soviet border. Some people in Beijing have inferred that it will not be too surprising should a second Zhenbao Island Incident surface.

CPC Document Hinted That Gorbachev May Fall

To date, I still cannot find factual grounds for this rumor. However, the Chinese people should be vigilant against "criticism with arms," which is even worse than theoretical criticism. Because the CPC is very afraid of the pounding of the tidal waves of East European revolution and Soviet reform, and a repetition of the Romanian incident in China, it is likely that the CPC is to resort to shifts in politics. Based on the spirit of CPC documents, the CPC has only pinned its hope on Gorbachev's fall. The CPC believes that because of Gorbachev's policies of letting things go their own way, which have led to the worsening of Soviet political, economic, and nationality issues, Gorbachev has landed in a very dangerous position; and a sudden change might take place in the Soviet Union any time. The CPC hinted that Gorbachev may fall any time.

Making Preparations Quietly for a Polemic With the "Soviet Revisionists" Preparations for unfolding a polemic with the CPSU are quietly under way, although the CPC has decided the policy of refraining from mass criticism and labelling; perhaps such criticism will be confined to inside the party.

The 5th Plenary Session of the CPC 13th Central Committee originally decided to cool off the criticism against bourgeois liberalization, but with the tremendous

changes in such countries as Romania, the principle established at that session has already been upset up at a recent Political Bureau meeting. Because of preparations for unfolding a polemic with the USSR, the criticism against the ideological trends of bourgeois liberalization will be escalated.

Beijing Municipal CPC Committee Writing Body is Making Preparations for "Anti-Revisionist" Campaign

We have noted that members of the disbanded Beijing Municipal CPC Committee Writing Body have already received a notice to report themselves to the municipal party school on 10 January. Xu Waicheng has issued two orders: First, Grass-roots party branches of all units must subscribe for a copy of RENMIN RIBAO [PEOPLE'S DAILY] and a copy of BEIJING RIBAO [BEIJING DAILY]; second, party committee propaganda departments of all prefectures (districts,) counties, and bureaus should set up their theoretical writing groups. Xu Weicheng has personally taken over the command of the writing groups under the Beijing municipal party committee and the Central Committee Propaganda Department. He ordered that Gorbachev's perestroika must be criticized and discredited!

Beijing's Non-Government Circles Believe That Gorbachev Has Done a Good Job

Contrary to the CPC authorities, Beijing's intelligentsia hope that Gorbachev will continue to do a good job in his work based on perestroika. Some people believe that now is the time for the United States and the Soviet Union to work hand in hand to promote world peace and democratization, and it is unwise, whether from a strategic angle or humanist stand, for China to stay in the feudal, autocratic, and uncivilized historical pit.

Northeast Asia

Zou Jiahua Continues Japan Visit

Meets Kaifu

OW2301152090 Beijing XINHUA in English
1438 GMT 23 Jan 90

[Text] Tokyo, January 23 (XINHUA)—Japanese Prime Minister Toshiki Kaifu today expressed his hope that Sino-Japanese relations will continue to develop on the basis of deepening mutual understanding.

Kaifu made the remarks while meeting with visiting Chinese State Councillor Zou Jiahua at the prime minister's official residence.

Zou, the highest-ranking Chinese official to visit Japan since last June, is leading a high-powered government mission on a 10-day tour of Japan.

Kaifu told Zou that both Japan and China are living in an important era. Sino-Japanese relations have developed in accordance with the principles of the Sino-Japan

Joint Communique, he said, adding that Japan is prepared to do its part to strengthen Sino-Japanese ties.

Zou, also minister of the State Planning Commission, gave assurance of China's resolve to adhere to its policy of reform and opening to the outside world.

He told Kaifu that China is also ready to work together with Japan to enhance the friendship and cooperation between the two nations.

Zou, who arrived in Osaka on January 16, is an official guest of the Japanese Foreign Ministry and the Japan Association for the Promotion of International Trade. He arrived in Tokyo on January 20 after winding up a tour of Osaka, Kyoto, Nagoya and Kumamoto.

Meets Nakayama

OW2301152390 Beijing XINHUA in English
1452 GMT 23 Jan 90

[Text] Tokyo, January 23 (XINHUA)—Japanese Foreign Minister Taro Nakayama said here today that the Japanese Government is hoping for an early normalization of Japan-China relations.

Nakayama made the statement during his talks with visiting Chinese State Councillor and Minister of the State Planning Commission Zou Jiahua.

Nakayama stressed that there is no change in the Japanese policy of trying its best to offer cooperation to China in the country's modernization drive.

He expressed the Japanese Government's expectation that economic cooperation between Japan and China will return to normal soon, and that progress will be made in China under the policy of reform and opening up to the outside world.

Nakayama also welcomed the lifting of martial law in Beijing, saying that it was a sign that the situation in China is moving toward stability.

He said that Japan has no intention of imposing its values on China, which has a different social system from Japan.

Nakayama expressed the hope that Zou's visit will improve Japanese-Chinese relations.

Zou said that China would like to have a lasting and stable friendship with Japan on the basis of the Sino-Japan Joint Communique and the Sino-Japan Treaty of Peace and Friendship.

He acknowledged that there have been some difficulties in bilateral relations in the recent past, but those difficulties were only temporary, and could all be overcome so long as the two countries make their joint efforts.

Zou, accompanied by a group of senior Chinese Government officials in charge of economic affairs, arrived here last week for a 10-day visit.

During the day, he also met with Prime Minister Toshiki Kaifu, Finance Minister Ryutaro Hashimoto, and Director General of the Economic Planning Agency Sumiko Takahara.

Returned Taiwanese NPC Member Migrates to Japan

HK2401012590 Hong Kong HONGKONG STANDARD in English 24 Jan 90 p 6

[By Cheung Po-loing]

[Text] A returned Taiwanese and outspoken member of the Standing Committee of China's National People's Congress (NPC), Mr Huang Hsin-hsing, left the mainland yesterday to settle in Japan.

He said part of the reason he was going was because of his total disappointment at the performance of the NPC, the highest organ of state power.

After living in China for four years, Mr Huang said he had no regrets that he would no longer play a role in China's politics.

Mr Huang, once an opposition legislator in Taiwan, moved to the mainland in 1986 and has served on the NPC Standing Committee for the last two years, where he represented Taiwanese on the mainland.

He will join his daughter in Japan and has decided to seek permanent residency there.

As a critic of government policies, Mr Huang often stole the limelight at the annual NPC sessions by voicing his criticisms publicly.

Before his departure, Mr Huang said he was able to do so little for China that he did not regret leaving.

"I expressed my genuine opinions at each meeting but I found the feedback discouraging and felt there was no use being a NPC deputy.

"The situation since last June has been even worse. At the last session of the NPC Standing Committee, it seemed to me I was speaking to a stone wall...There was no response, none at all."

Mr Huang said the Standing Committee should be the organ of the highest power representing the will of the people, but nothing he had said there was ever heard by the public because of the "selective coverage" by the official mass media.

"Congress discussions should be made known to the public in order to increase the transparency of the government. But in China, they're doing just the opposite, so what's the use of being a NPC deputy?"

Mr Huang, an agricultural and environmental expert, said although he had been unable to achieve anything in politics, he had managed to realise his life-long dream of setting up an environmental protection group in China before he left.

Mr Huang together with Mr Liu Guixian, a reporter on the WORKERS' DAILY, have formed the preparatory committee of the New China Environmental Association.

"I was seriously ill for three months from last September," said Mr Huang. "But I was not ready to accept death since I had not even started the green movement in China.

"Now I've recovered I have decided to devote the rest of my life to the anti-pollution drive in China.

"I will return, and I'll still hold the passport for the People's Republic of China even if I'm given residency in Japan," he said.

"I'm not going to separate from my motherland. What I do overseas is completely for the sake of her."

He said he would use his overseas connections to get as much financial support as possible for the association.

He said he was thinking of resigning from the post of NPC deputy because it might hinder his future plans to promote the anti-pollution movement.

"Politics is concerned with the interests of a single generation but the environmental protection campaign is for hundreds and even thousands of generations.

"Let others interested in politics continue the game, I prefer environmental protection which is more meaningful," he said.

News Analysis on Japanese Delegation to Moscow

OW2101202190 Beijing XINHUA Domestic Service in Chinese 1250 GMT 19 Jan 90

["News Analysis" by XINHUA reporter Gong Dajun (1562 1129 6511): "What Did Abe Bring Back from Moscow?"]

[Text] Tokyo, 18 Jan (XINHUA)—After returning from a visit to Moscow on 17 January, Shintaro Abe, former secretary general of Japan's Liberal Democratic Party [LDP], immediately held an afternoon press conference during which he prated about the solemn reception accorded him and the high degree of importance attached to his visit, his face occasionally revealing expressions of elation and confidence.

Indeed, the highly qualified veteran Japanese politician did not go to Moscow in vain. Prime Minister Kaifu noted that the visit by Abe has great significance in developing Japanese-Soviet relations.

Led by Abe, an LDP delegation paid a visit to the Soviet Union from 13 to 17 January. In contrast with past Japanese-Soviet summit talks, this time Gorbachev displayed unprecedented flexibility in dealing with Japan's insistence on recovering the northern territories, saying that the territorial claim is Japan's sovereign and intrinsic right. Some Japanese news media speculated

that concrete progress might emerge on the territorial question when Gorbachev is expected to visit Japan next year.

During the talks, Abe presented Gorbachev with an eight-point proposal on developing Japanese-Soviet relations, which included plans for strengthening economic, technological, and fishery cooperation, youth and cultural exchanges, and for allowing Japanese to visit graves on Etorofu, one of the four northern islands. The Soviets said that they would give serious consideration to the proposal.

The package proposal by the LDP marks an important flexible diplomatic approach in dealing with the Soviet Union. In the past Japan has insisted on a solution to the territorial question as the precondition for cooperation in economic and other fields. The Japanese press pointed out that the principle of the "nonseparation of political and economic matters," to which Japan has consistently adhered in its diplomacy toward the Soviet Union, will henceforth remain only in name.

Members of the LDP delegation claimed that the visit to the Soviet Union yielded great results because the scope for developing bilateral relations had been expanded. For Abe, the veteran politician who has always coveted the position of prime minister, this diplomatic activity, which has attracted great attention in Japan and in other foreign countries, will greatly strengthen his position in the party.

However, the assessment here has not been unanimous concerning the scope of achievement of Abe's visit to the Soviet Union. According to a report, the head of Japan's Foreign Ministry said on 16 January that while Gorbachev's remarks are something new, it can be said that the Soviet side will take a serious attitude toward the issue of the northern territories, but this does not mean that the Soviet side has changed its consistent stand toward this question. The issue of the northern territories still remains a serious topic in the relations between Japan and the Soviet Union.

Southeast Asia & Pacific

Australia To Resume Ministerial Ties

OW2301182990 Beijing Domestic Service in Mandarin
1600 GMT 23 Jan 90

[Text] According to a dispatch from Zhang Shuxun, our station's correspondent in Australia, the Australian cabinet agreed on 23 January to resume ministerial-level contacts between Australia and China.

According to a report carried by the Australian Television Station, the proposal of resuming the two countries' ministerial contacts was brought up at a cabinet meeting by Gareth Evans, minister for foreign affairs and trade of Australia.

This is the first step Australia has taken to gradually normalize the relations between Australia and China.

Latin America & Caribbean

Cooperation Protocol Signed With Ecuador

OW2001162690 Beijing XINHUA in English
1500 GMT 20 Jan 90

[Text] Quito, January 20 (XINHUA)—China and Ecuador signed a protocol on economic and technological cooperation on Friday.

The document is founded on the credit line agreed to earlier in the credit cooperation accord signed by the two countries on June 12, 1987.

In accordance with the protocol, China will aid Ecuador with three different projects, including a 40-hectare agricultural experimental farm, an approximately 600 square meters fruit storage and trading center and the drilling of 10 wells.

The document was signed by Ecuador's Foreign Minister Diego Cordovez and Chinese Ambassador Wang Ganghua.

Ecuadoran Power Plant Built With State Credit

OW2001080590 Beijing XINHUA in English
0232 GMT 20 Jan 90

[Text] Quito, January 19 (XINHUA)—A small hydroelectric station with an installed capacity of 400 kilowatts was inaugurated today in Lumbaqui, in the Amazon Province of Sucumbios.

The power plant, with two generating units of 200 kilowatts each, were provided by the People's Republic of China and financed with Chinese credit. It was built with the technical assistance of a group of Chinese experts.

This is the first of a total of three small hydroelectric stations to be built with Chinese help. The other two have a capacity of 1,700 kilowatts and 400 kilowatts, respectively.

Peru Welcomes Trade Union Delegation

OW2001080790 Beijing XINHUA in English
0229 GMT 20 Jan 90

[Text] Lima, January 19 (XINHUA)—The minister of labor, Wilfredo Chau Villanueva, received here today a union delegation from the People's Republic of China.

The Peruvian minister gave a warm welcome to the Chinese delegation and showed a great interest in trade unions in China, as well as in joint ventures and private enterprises that exist in China.

The delegation of the All-China Federation of Trade Unions, headed by Fang Chade, a member of the federation's secretariat, arrived Thursday in Peru for a friendly three-day visit.

During its stay here, the Chinese delegation will visit Peruvian unions and exchange experiences with their leaders. It will visit some factories to get an idea of the work and life of the Peruvian workers.

The Chinese delegation will leave here Saturday to continue its visit to Cuba, Venezuela and Mexico.

Company Wins Bid To Dredge Colombian Port

*OW2001192090 Beijing XINHUA in English
1647 GMT 20 Jan 90*

[Text] Bogota, January 20 (XINHUA)—The Great Colombian Merchant Fleet Company announced Friday that China Harbours Engineering Co. (CHEC) has won the dredging bid for a planned container port to be built in Cartagena, Colombia.

The dredging of the planned container port in Cartagena will be the 21st project that the CHEC company has undertaken in Colombia.

The Great Colombian Merchant Fleet Company's international public call for bidding began last December 11. In addition to the CHEC, eight other Colombian and foreign companies participated in the bidding.

According to the CHEC's tender, the dredging of the planned container port will entail, among other things, digging 2.3 million cubic meters of soil over a period of six and a half months at a cost of 3.85 million U.S. dollars.

Xun Sinshen, the CHEC's manager of dredging in Colombia, told XINHUA Friday that the new project in Cartagena will begin in March. Xun said he would be in charge of the three dredging ships that are currently working in Cartagena's free zone.

Since mid 1984 until 1989, China Harbours Engineering Co. has been contracted by Colombia to handle a total of 20 projects, including the reconstruction of Santa Marta Port, and the dredging of the Dique Canal's exit towards the sea.

Political & Social

Tokyo TV Reports Song Renqiong Death in Shanghai

OW2401114490 Tokyo TBS Television Network
in Japanese 0950 GMT 24 Jan 90

[Text] Song Renqiong, one of the elderly leaders of the CPC who was close to China's top leader, Deng Xiaoping, was burnt to death in Shanghai a few days ago. Premier Li Peng is now in Shanghai to look into the cause of his death.

According to a report from correspondent Okada in Beijing, quoting a reliable Chinese source, Mr Song Renqiong was burnt to death at his quarters in Shanghai several days ago, along with three other people, including a secretary and guards.

The cause of the death is not believed to be suicide, but instead an accident or arson. Mr Song was a vice chairman of the Central Advisory Commission, and was no longer active in the frontline of politics. He was a key official close to Deng Xiaoping, having served in the Second Field Army with Deng Xiaoping in his days with the People's Liberation Army.

It is likely speculation will arise as to why Mr Song was burnt to death, and why Premier Li Peng himself is taking charge of the investigation into the cause of his death.

Li Peng Views State of Education

HK2301061990 Beijing GUANGMING RIBAO
in Chinese 5 Jan 89 pp 1, 3

[Report: "In Meeting with Chinese and Foreign Representatives to the 'International Seminar on Education in the 21st Century,' Premier Li Peng Talks about the State of Education in China and China's Viewpoint on Education"]

[Text] When meeting with Chinese and foreign representatives to the international meeting on "the qualities required of education today to meet the demands of the 21st century" held on 30 November 1989, State Council Premier Li Peng made an important speech on the state of education in China and the government's viewpoint on education. The full text follows:

I would like to express my warm welcome to such a meeting being held in China. What makes me happy is that the meeting is comparatively successful and satisfactory. Today I avail myself of this opportunity to briefly introduce to you China's educational conditions and the government's ideology on education, which, I hope, would be counted as my speech for this meeting.

China is a developing country with a comparatively low production capability. We have worked out a plan which is designed to be carried out in three steps. So far the task for the first phase has been fulfilled, and everybody in China has food and clothing. Of course they are not well

off, and people in some areas are still comparatively poor. In the second stage, namely, in the 12 years from 1989 until the end of this century, we are to realize initial modernization and further improve the people's livelihood. In the third stage, which will cover 30 to 50 years, we are to catch up with moderately developed countries in the world. China is unlikely to develop very rapidly because we have a population of 1.1 billion, and the figure is still on the increase.

To carry out China's modernization program, we need a peaceful international environment abroad, and a stable political situation at home. Therefore, we pursue an independent foreign policy of peace, and are willing to be in harmony with every country in the world. China will not pose a threat to any country. China is in need of a stable environment domestically, which is of great importance. For the last 40 years since the founding of the Republic, there have been several periods which saw instability—the 10-year period from 1966 to 1976, which was in turmoil, in particular. I recently visited three countries in southern Asia. Pakistani Prime Minister Benazir Bhutto told me at the banquet in my honor: Not every statesman in the world understands China; they do not all understand the importance of the matters related to food, clothing, and housing for a country with a population of 1.1 billion. As we know, we have to rely upon science and education to realize modernization, while the former is based on the latter. We are also aware that the progress of science and technology in the world today has increasingly shortened the geographical distance between people, and science has become the common property of mankind. It is simply unimaginable that a country is able to fulfill its modernization program behind closed doors. There are many things China should learn from foreign countries, such as advanced technology, advanced managerial expertise, and other things which suit China's actual conditions. Of course there are some things which are not suited to us.

China's policies on education can be summarized in three points as follows.

First: "Education must face modernization, the world, and the future."

The world belongs to the future, while the future belongs to children and young people. Therefore education must start with children.

Second: The overall development of students' morality, intelligence, and health should be emphasized.

Naturally it is necessary to pay great attention to cultural education, but if the people, namely the future youth we are training, lack morals, it will be difficult for them to make contributions to the society. China incorporates its historical tradition, several thousand year cultural heritage, experiences in the last several decades, and a number of things learned from foreign countries into its moral education. There is an influential and popular

saying in China: "Serve the people," that is to say, we should think of everyone else rather than of only ourselves.

Health is also very important. If the people we trained are well-informed and ones with high morality, but poor in health, they too will be unlikely to make great contributions to the society. They themselves will not be happy either.

Third: "Education must serve socialist construction, and the latter also must rely upon education."

China must adopt the socialist system. That China chose the socialist system was decided by two factors: one is historical conditions, the other is national actual conditions. Socialism is supported by the majority of the Chinese people. Introducing other social systems, such as the capitalist system, in China, a country with a large population and a backward economy, will surely widen the gap between the rich and the poor. A wide gap between the haves and the have-nots will bring about social unfairness, thus resulting in social instability. People of every country enjoy a right to choose a system for their own country. We have been on good terms with countries with different social systems. China's educational policy that education must serve the socialist construction, in fact, means that education must be of service to building China into a powerful and prosperous country, and to increasingly raising the popular living standards.

The above are the most basic aspects of China's educational policy.

China's educational structure falls into four categories.

The first category is basic education.

It takes 9 years for a student to receive basic education in primary and junior middle schools. In light of China's actual economic conditions, we should see to it that children in those comparatively developed areas receive 9-year compulsory education. It is impossible, however, to do so in those less developed areas, where we can only make 6-year primary education universal. The most important thing to do for basic education is to improve the quality of teachers. A number of our primary and middle school teachers, for historical reasons such as the 10-year turmoil, have not received complete relevant professional training themselves, so that it is very difficult to ensure the quality of education. Therefore it is necessary to retrain them. The government has provided favorable conditions for them to go to school again. For example, the government allows them to go to school again with full pay. But this measure can only apply to a small number of teachers. Hence, we established television normal colleges. At present, more than 2 million teachers across the land are attending the course. This measure is proving successful.

Our teachers are required to "pass on knowledge and rear students," that is, they should communicate knowledge to students and conduct moral education. There was another saying in ancient China: "Teachers should be a paragon of virtue and learning." This means that teachers should play a positive exemplary role. Their conduct and morals should become an example to students.

In addition, it is necessary to provide material conditions for schools. At present, classrooms and teaching aids in a number of schools are below the prescribed norms. We should mainly rely on governments at various levels to solve these problems and improve the conditions for running schools by appropriating sums for the purpose. At the same time we should also enlist financial help from all quarters of the society. In some rural areas where the agricultural economy is expanding rapidly, the peasants have built beautiful schoolhouses. In general, educational conditions are favorable where the economy grows. Of course there are exceptions. In some places, the government and people there attach great importance to education and assign their best houses to schools, though they are still backward economically.

The second category is vocational education.

In a number of major cities in China, such as Shanghai, 50 percent of senior middle school students receive vocational education while they are still in school, while the rest prepare themselves for the college entrance examination. Vocational schools provide all kinds of professional courses, such as electrical engineering, cookery, tailoring, hotel services, and so on. If a student can initially acquire a certain technique, he will find a job as soon as he leaves school.

The Chinese Government did not pay enough attention to vocational education in the past, but from now on we must set great store by it. Only a small number of middle school students have the opportunity to be admitted to colleges, while a greater number of them have to take up an occupation after they leave school. Vocational education can improve the quality of laborers. The teachers not only teach them techniques, but also carry out education in professional ethics.

There are 200 million illiterates in China. The proportion of children entering primary schools is high, registering 97 percent. As a matter of fact, many illiterates or semi-illiterates received education in primary schools when they were children, but did not graduate or only spent 2 or 3 years there and later became illiterate. Why? This is a social phenomenon which merits scrutiny. Most such children resided in the countryside and a large majority were girls. An important cause is that the knowledge and culture they learned in school were not closely connected with their labor and lives. Textbooks for children in rural areas were the same as those for children in urban areas, and the teachers did not pass on to them the knowledge they needed, such as knowledge

about their rural life and their labor. Therefore, we have initially come to such a conclusion: To consolidate and develop rural education, we must closely integrate it with rural life and labor. That is to say, apart from cultural education, we must carry out vocational education.

The third category is higher education.

By higher education, I mean the education conducted in colleges and universities. There are 1,075 colleges, universities, and comprehensive universities throughout the country, and their enrollment totals 2.06 million. We believe that we have enough institutions of higher learning from the perspective of our economic development level. The principal task is to improve the quality of teaching. The content of courses and teaching methods should also be reformed so that graduates can satisfy the society's demand.

The last category, the fourth category, is adult education or continuing education.

This education is designed to enable those who possess an education background to have more training. At present, China has a variety of institutions for such a purpose including television universities, correspondence universities, evening universities, and various kinds of training classes, research classes, and technical training classes.

China's education is roughly divided into the above four categories.

We are not satisfied with the existing educational situation, because, of the government's various jobs, education remains a weak link, failing to meet the demand of economic development. Therefore we have hammered out a plan to rejuvenate education. The heart of the matter lies in increasing investment in education. China's economy is confronted with some temporary difficulties, so it may take longer to have the plan implemented. But we are still determined to go ahead with the plan. It may take 6 years to fulfill instead of 5 years as originally required, but we will manage to make a little progress every year. Aside from the government, the society will also make investment in education.

I have talked enough about education. Now I will briefly deal with China's current political situation. The political situation has a bearing on education. China's current political situation is stable; we have established a leading line-up with General Secretary Jiang Zemin as its core; and we are smoothly carrying on work in all fields. You came to China with the hope of understanding its realities in person.

In the economic field we have scored great achievements through introducing the reform and open policies in the last decade, which I talked about just now. We had planned to double our gross national product in 10 years, but we achieved the goal in 8 years. This shows we have made achievements, but we have also come up against some difficulties. Our economy grew too rapidly,

resulting in economic imbalance, excessive gross demand over gross supply, and last year's inflation. Later we adopted the policy of improving the economic environment and rectifying the economic order. During this period we have to slow down the economic growth, tighten up money supply, and stem inflation, but the general policy of reform and the opening has remained unchanged. It is necessary not only to preserve the stability and continuity of the reform measures which we have practised, but continually improve them.

You are in the education business. I would not like to waste your time on economic issues, but I would still like to talk about one thing: What does China's reform mean? Some economists in the world are of the opinion that if China's reform would head toward a market economy, that means the reform is making progress; otherwise, it means turning back the clock. This is a misunderstanding. China cannot afford to introduce a market economy in an all-round way, because it will definitely bring about economic confusion. Neither can we persist in the planned economy only as we did in the past. We are integrating a planned economy with market mechanism. Some foreign friends believe it is very difficult to achieve this. They think that the two are against each other. We, however, believe the combination will prove feasible in China. A number of Western countries are imposing economic sanctions against China, and contracts and agreements which have been signed or reached have been revoked. This will cause China some difficulties. We are going to live a frugal life for several years to get over these difficulties. Nevertheless, we think the economic sanctions will not only harm China, but will also bring damage to those who are applying sanctions. We hope and believe the sanctions will be short-lived.

China will as always carry out open policies and hold exchanges with foreign friends in the scientific, technological, cultural, and art circles of all countries.

We heartily welcome foreign friends to China to take part in such a meeting for academic exchanges. On the one hand we can take this opportunity to exchange experiences, and on the other you can see for yourselves what China is really like. There is an old Chinese saying: "Seeing for oneself is 100 times better than hearing from others." Whoever has come to China will more or less acquire a new understanding of it. China will never close its doors, we shall never do such a foolish thing.

Thank you all and welcome to China again.

Li Ximing, Chen Xitong Mark Spring Festival

*OW2301003690 Beijing XINHUA Domestic Service
in Chinese 1454 GMT 22 Jan 90*

[By reporter Wang Wei (3769 5588)]

[Text] Beijing, 22 Jan (XINHUA)—Li Ximing, member of the CPC Central Committee Political Bureau and secretary of the Beijing Municipal Party Committee,

joined more than 600 non-CPC personages in the capital to mark the Spring Festival at the Beijing Restaurant this morning.

Chen Xitong, state councillor and mayor of Beijing, also attended the get-together to wish the attendees a happy Spring Festival.

On behalf of the Beijing Party Committee and the municipal government, Li Ximing extended his most cordial regards to personages of all democratic parties and mass organizations, patriots without party affiliation, personages of ethnic groups and religious circles, returned overseas Chinese, and family members of countrymen in Hong Kong, Macao, and Taiwan. He also wished them a happy Spring Festival.

Speaking to the attendees, Li Ximing said: The most important thing to do during the new year is to maintain national and social stability, and to make unremitting efforts to improve the economic environment, rectify the economic order, deepen reform, and open wider to the outside world. I hope that you will help us in all these respects by actively and bravely giving us suggestions and advice. I also hope that you will supervise our work to make sure that all projects are conscientiously accomplished.

Li Ximing stressed: The system characterized by multi-party cooperation under the CPC leadership and political consultations is China's fundamental political system. Strengthening this fundamental system is an important aspect of China's socialist democratic construction and political restructuring. We must firmly uphold, strengthen, and improve the CPC leadership. No matter how the situation and mission change in the future, we Communists will never waver in our determination to uphold the banner of Marxism-Leninism-Mao Zedong Thought, to adhere to the socialist course, and to serve the people wholeheartedly. I also hope that you people of all democratic parties and mass organizations and people of all nationalities in all circles will join the CPC in intensifying the study of the Marxist stand, viewpoint, and methods. I also hope that you will intensify your study of current political affairs and take an active part in state affairs and political consultations so that you can exercise democratic supervision and play an even more significant part in government and the four modernizations drive.

Bai Jiefu, chairman of the Beijing Committee of the Chinese People's Political Consultative Conference [CPPCC], addressed the audience on behalf of the Beijing Committee of the CPPCC and the United Front Department of the Beijing Municipal Party Committee. He said: Under the CPC's leadership, our patriotic united front became stronger and larger during the 1980's, and made great contributions during the course of upholding the four cardinal principles, carrying out reform, opening to the outside world, and embarking on other construction projects. In the future, we will continue to come up with more ideas useful for maintaining

political stability and unity and social stability, expediting economic retrenchment and deepening reform, and bringing about sustained, steady, and coordinated economic development in China. In the spirit of holding ourselves responsible to the people, the state, and history, we will actively assist the CPC and the government in combating corruption and promoting government cleanliness.

Representatives of people of democratic parties, ethnic groups and religious circles, and patriots without party affiliation also took the floor at the party.

Wan Li, Li Ruihuan Inspect Asian Game Projects

*OW2301165590 Beijing XINHUA in English
1454 GMT 23 Jan 90*

[Text] Beijing, January 23 (XINHUA)—Wan Li, chairman of the Standing Committee of the National People's Congress [NPC], and Li Ruihuan, Standing Committee member of the Chinese Communist Party Central Committee, inspected projects for the coming Asian games today.

During the inspection, Wan Li, who is also honorary president of the games' organizing committee, called for further efforts to complete all the facilities on time and ensure the quality of the projects.

He said best services should be provided during the games to win glory for the country. He also call the Chinese athletes for hard trainings. [sentence as received]

The Beijing Asian Games will be held from September 22 to October 7. Now most of the projects for the games have been completed.

Tian Jiyun Calls On Flood Control Personnel

*OW2201054790 Beijing Television Service in Mandarin
1100 GMT 18 Jan 89*

[From the "National News Hookup" program]

[Text] [A medium shot shows Tian Jiyun, with a green padded overcoat draped over his shoulders and flanked by unidentified personnel, walking into an office building, and then a close-up shows him taking a seat at a long table and writing an inscription] Tian Jiyun, vice premier of the State Council and director general of the State Flood Control Headquarters, this morning called on comrades of the Ministry of Water Resources and the State Flood Control Headquarters, who had worked hard to combat flood and drought. He extended cordial greetings to them.

Tian Jiyun wrote this inscription for them: Ring out the Old Year and ring in the New. Congratulations on your tremendous achievements in flood control in 1989. I wish that all comrades waging the struggle against flood and drought would continue to exert themselves to achieve new successes.

University Students Begin 3-Week Winter Recess

OW1901134490 Beijing XINHUA in English
1333 GMT 19 Jan 90

[Text] Beijing, January 19 (XINHUA)—About 160,000 college students in the Chinese capital started their three-week winter vacation this week.

Nearly 100,000 college students have booked train tickets to return home for family reunions during the Spring Festival, which falls on January 27.

A Beijing University student said that after returning home he will carry out a social study to get an overall understanding of practical conditions in China and enrich his social experiences.

College and university authorities have arranged dancing parties, movies and other cultural activities for students who will spend their winter vacation on college campuses.

NPC Official Urges Unity Among Nationalities

OW2301153390 Beijing XINHUA in English
1508 GMT 23 Jan 90

[Text] Beijing, January 23 (XINHUA)—All nationalities in China should implement the party's policy of unity among all nationalities while sticking to the four cardinal principles, reform and the open policy, a senior Chinese leader said here today.

Addressing guests at a party held for various nationalities to celebrate the coming Spring Festival, Ngapoi Ngawang Jigme, vice-chairman of the Standing Committee of the National People's Congress (NPC), said, "at present, we should pay special attention to safeguarding unity and social stability as it is of vital importance to China's socialist construction and the prosperity of the Chinese nation."

"We should oppose the 'evil' activities of splitting the motherland," he said.

The vice-chairman noted that China's minority nationalities had made great progress in the 1980s in the political, economic and cultural development, and that equality, unity and mutual help have been strengthened among all the nationalities in the country.

"Experience has demonstrated that our party's policy toward minority nationalities is correct," he said.

The vice-chairman said China will unremittably implement the law on regional autonomy for China's minority nationalities. Based on this law, the central government departments should help the regional governments enjoy their own rights.

Regional governments, on the other hand, should see to the implementation of the Constitution and the corresponding laws. Other regulations can be mapped out according to their varying characteristics in politics,

economics and cultural development to perfect the law on regional autonomy, he said.

Beijing Public Security Issues New Regulations

OW2301154390 Beijing Domestic Service in Mandarin
1030 GMT 23 Jan 90

[From the "National Hookup" program]

[Text] The Beijing public security authorities today publicized procedures on approving citizens' applications for departing the country for personal businesses, the code of conduct for foreign affairs police, and other discipline regulations.

The Beijing public security authorities will also intensify their democratic supervision according to these new regulations, saying that all irregularities reported by the masses concerning the processing of their departure formalities will be directly handled by leading cadres.

Government Wary of Muslim Independence Moves

HK2301032990 Hong Kong SOUTH CHINA
MORNING POST in English 23 Jan 90 p 8

[By David Chen]

[Text] The Chinese Government is alarmed that the wave of sentiment for autonomy and independence sweeping Muslim minorities in Asian countries may spread to the huge Muslim population in China's north-west and southwest regions.

Hui, the Chinese name for its Muslim people, comprise the largest ethnic minority group in China and are found mostly in the western autonomous regions and provinces.

They are made up of different races, the dominant one being Chinese. The other large racial group is the Uigurs, who live in the Xinjiang Autonomous Region bordering the Soviet Union's Central Asia.

Chinese Muslims have a reputation of being above national politics, which are mostly played out in eastern, central and southern China.

However, during the Qing Dynasty, there was a serious uprising in Xinjiang that was brutally suppressed by imperial troops.

During the republican days, the Muslims stayed out of the mainstream of Chinese politics.

At the height of the Cultural Revolution in the late 1960s, Muslims in southern Yunnan province staged an uprising and proclaimed the founding of the Islamic Republic. Troops were called in and they all but flattened the four villages where the republic was proclaimed.

While China, under Mao Zedong, pursued the ultra-leftist line and suppressed religious freedom, the Islamic

religion was tolerated. China was then shunned by the Western world and confronted by a "revisionist" Moscow, and Third World and Islamic countries in the Middle East became some of Beijing's closest friends.

There was another strong reason for the Chinese authorities' tolerance of the Islamic faith: Muslims not only dominated the population of the strategic western region but also made up large communities in major cities, including Beijing.

Since China opened its doors to the world in the late 1970s, religious faiths have been given more freedom and Muslims have been allowed to make their pilgrimage to Mecca.

However, the authorities are wary of the rising sentiments of Islamic fundamentalists and watchful of the spread of such fundamentalist concepts to the mainland.

Over the past few years, security forces have thwarted several independence attempts by Muslims in Xinjiang.

The authorities alleged that these attempts had the support of groups from abroad, without indicating who these were.

It is under these circumstances that Beijing is giving tacit support to the Soviet leader, Mr Mikhail Gorbachev, when he deployed troops to Azerbaijan.

Apart from the Muslims, the separatist movement in Tibet, where martial law is still in force, continues to trouble Beijing.

The Chinese leadership is also gravely concerned with events in Mongolia, where the communist regime appears to be prepared to negotiate with advocates of the democracy movement.

Rules, Procedures Established for Foreign Travel

HK2401005090 Beijing CHINA DAILY in English
24 Jan 90 p 3

[By staff reporter Liang Chao]

[Text] Applicants going abroad from Beijing for personal reasons can now appeal to higher authorities if their application is disapproved.

The time limit for the approval of Chinese citizens is 30 days for those going to foreign countries and 60 days for those leaving the mainland for Hong Kong and Macao.

This was announced yesterday at a news conference by the Beijing Municipal Public Security Bureau.

The type of certificates needed by applicants to the police authorities were also made known.

They include documents for going abroad to settle, study (self-funded), work or visiting family members or relatives.

This is the first time since 1949 that Chinese citizens living in the capital have known how to go through the procedures of leaving the country for private matters.

Although a special law on the control of the exit and entry of Chinese citizens was put into effect in 1986, local approval procedures have been kept secret.

Wang Jichuan, director of the bureau's Division of Aliens and Exit-Entry Administration, told the conference that the measure is aimed at offering more convenience to the capital's applicants.

According to the newly-published local regulation, applications for going abroad for private purposes ought to be approved within 30 days.

Also, if an applicant's request is refused, they can now get an explanation within a month, Wang said.

However, applicants wanting to go to Hong Kong and Macao now have to be approved under a limited quota to maintain the economic prosperity and social stability in the two regions, Wang said, but declined to give the figure.

Applicants going to visit their spouses, parents or children in the two areas will have to wait for two years after their application is approved.

Circular Implements Administrative Procedure Law

OW1701033390 Beijing XINHUA Domestic Service
in Chinese 0520 GMT 15 Jan 90

[Text] Beijing, 15 Jan (XINHUA)—The State Council recently issued a circular calling for implementation of the "Administrative Procedure Law of the People's Republic of China." The circular says: The Administrative Procedure Law is scheduled to come into effect on 1 October 1990. This will be a great event in the building of the socialist legal system in China as well as a major step in the construction of a socialist political democracy in the country. It will be of great significance in implementing the principle of protecting the citizens' legal rights and interests as provided in the Constitution, safeguarding and promoting the exercise of functions and powers by administrative organs in accordance with the law, promoting clean government, and raising work efficiency. Likewise, it will have a positive impact on the implementation of the policy to improve the economic environment, rectify the economic order, and deepen the reform. People's governments at all levels and all departments of the State Council must attach great importance to the enforcement of the Administrative Procedure Law. They should make practical arrangements in all fields to prepare for its enforcement.

The circular notes: Under the Administrative Procedure Law, a citizen, a legal entity, or an organization can bring suit before a people's court against an administrative organ. The enforcement of this law will mean that administrative activities in China will be subject to a wider range of judicial supervision. After the law comes

into effect, the administrative organs will frequently find themselves in court as a defendant in a status equal to that of the plaintiff, who may either be a citizen or an organization, to answer charges and be tried. They are also likely to be held responsible for making compensation or to undertake other legal consequences. This undoubtedly will make even higher demands on administrative organs in running the government according to law. Local people's governments at all levels and all departments of the State Council must make good use of the time before the Administrative Procedure Law comes into effect to organize their personnel to seriously study it. Through study, they are expected to have basic knowledge about the law, fully understand the great significance of the administrative procedure system, do away with ideas and concepts that are incompatible with the administrative procedure system, and make all preparations for the enforcement of the law before it comes into effect. After the law comes into effect, local people's governments at all levels and all departments of the State Council should actively take the initiative to act in coordination with the people's courts in carrying out their work. Responsible comrades of the local people's governments at all levels and all departments of the State Council should take the lead in studying the law and strengthen their leadership over this work. They should, by holding a study class or other methods, organize the responsible comrades of their respective localities and departments to study the law in stages and in groups.

The circular says: One of the fundamental stipulations in the Administrative Procedure Law is that all administrative acts must be based on the law and that all aspects and all means of administrative management activities must also be in accordance with the law. For this purpose, legislation must be constantly perfected. At present, aside from many administrative management laws and regulations that are urgently needed, it is necessary to step up the formulation of laws and regulations complementary to the Administrative Procedure Law, including regulations concerning administrative reconsideration [xing zheng fu yi 5887 2398 1788 6231], regulations concerning the mandatory enforcement of administrative actions, and regulations on the formulation of rules and regulations.

The circular says: The purpose of establishing the system of administrative procedures is to safeguard and supervise the exercise of functions and powers by the administrative organs in accordance with the law and ensure that administrative organs will handle everything according to law. Local people's governments at all levels and all departments of the State Council should take practical and effective measures to intensify education about the legal system among administrative and law enforcement personnel to heighten their sense of responsibility and consciousness about the need to act in accordance with the law; put an end to their violations of law in the process of law enforcement, such as imposing unauthorized and arbitrary punishment; and improve administration and law enforcement. Local people's governments at all levels and all departments of the State

Council should take stock of the current specific administrative acts, including fines, suspension of permits and licenses, and restrictions on personal freedom, and ban or rectify those that are in violation of the law or which do not have a legal basis. They should, by taking the actual situation in their respective localities or departments into consideration, quickly formulate work regulations for the personnel of administrative organs and strictly enforce administrative discipline. The Ministry of Supervision, the State Council's Bureau of Legislative Affairs, and other departments should seriously carry out investigations and studies, sum up experience, and quickly formulate laws and regulations concerning the supervision and inspection of law enforcement in order to standardize and systematize the supervision and inspection of administration and law enforcement.

The circular says: Enforcement of the Administrative Procedure Law will make it mandatory for government work to be conducted within the framework of the legal system. For this purpose, leading comrades of local people's governments at all levels and all departments of the State Council must pay close attention to the government's legal system work and practically strengthen their leadership over this work. In order to strengthen the government's legal system work, it is necessary to perfect the organizational structure. People's governments at all levels should, on the basis of readjusting and improving the personnel structure and improving personnel quality, further augment the government's contingent of legal system workers to bring the strength of legal work organs to a par with the work they perform.

In the circular, the State Council calls on local people's governments at all levels and all departments of the State Council to carry out a serious study in combination with the actual situation in their respective localities and departments and quickly propose the measures to be adopted for the enforcement of the Administrative Procedure Law.

Official Views 1989 Project Achievements

OW2301141290 Beijing XINHUA Domestic Service
in Chinese 1120 GMT 19 Jan 90

[By reporter Wu Shishen (0702 1102 3234)]

[Text] Beijing, 19 Jan (XINHUA)—The state has to spend a considerably large amount of both financial and material resources on key projects for the benefit of society and the people in our People's Republic every year. In 1989, the main railway arteries in our country were extended again; two modern airports for civil aviation were built in two big cities; and the production capacity of the electricity, coal, and petroleum sectors, which have a bearing on industrial production and people's daily life, was further increased.

When this reporter called on the Department for the Coordination and Supervision of Major Construction Projects of the State Planning Commission, Zeng Zhaoyun, deputy director of the department, braved the cold

to meet me. Beaming with satisfaction, he said: "Hurry up. There is some good news for you to report to the masses."

The briefing that he gave me on the achievements scored by the state in the construction of its key projects in 1989 was indeed quite heartening.

It's gratifying to note that facilities for sustained production have been added to the energy industry. Fire-crackers celebrated the commencement of production of the Yanzhou mining area, a large pit with an annual output of over 4 million metric tons of raw coal in Shandong Province. With the additional coal mining capacity of the 36 new pits, output will reach 24.95 million metric tons. When these new facilities operate at full capacity, everyone in the country will enjoy the benefit of an additional 22 kilograms of coal for daily use every year. In addition to the installed capacity in the construction of electric power, which exceeded 8 million kilowatts for 2 years in a row, newly installed facilities with an annual capacity of 8,708,000 kilowatts were put into operation last year. The first thermal power generating unit designed by our country, with an annual capacity of 600,000 kilowatts, is operating safely at Pingwei Electric Power Plant in Anhui. If these new electric power generating units operate 8 hours a day, they will churn out a total of 38 billion kilowatt-hours per year, enough for a year's consumption of electricity by all the people in the country and also enough to achieve an industrial output value of around 100 billion yuan. The capacity for extracting petroleum, which is the "lifeblood" of industry, has increased by 16 million metric tons. Facilities for sustained production have been added to Daqing, Shengli, Liaohe, Zhongyuan, Xinjiang, and other major oilfields to enable them to make contributions to our country.

There has been steady development in the construction of communications facilities. Over 300 kilometers of double-track railway connecting the two medium-sized cities of Shangqiu in the central plains of China and Fuyang in the Jianghuai Plain have been built to enable a continuous flow of coal through this area to the southern part of China. Electrification of another 235 kilometers of railway between Guiyang and Kunming was completed. Thus, electrification of the whole railway line between Guiyang and Kunming has been completed and opened to traffic. The newly built Huanghua Airport in Changsha was accepted by the state after inspection and was put into operation for the transportation of domestic and foreign passengers. Jiangbei Airport in Chongqing is expected to begin air traffic soon. The construction of 27 deepwater berths with an annual handling capacity of 47.12 million metric tons, equivalent to one-tenth of the total handling capacity of our country at present, was completed in China's coastal harbors and along its major inland rivers. They enable the industrial and agricultural products of our country as well as the goods and materials badly needed by the masses for their daily life to take advantage of the "golden waterways" for transportation.

The production capacity of the raw and semifinished materials industry has been increased in an all-around way. Construction of the 70 electrolytic tanks of the Baiyin Aluminum Factory, which is located in northwest China, has been completed. Their capacity to produce an additional 25,000 metric tons of aluminum through electrolysis is expected to add new hope to easing the shortage of the supply of aluminum products faced by our country at present. In the chemical industry, construction of the three large alkali factories in Tangshan, Weifang, and Lianyungang Cities has been basically completed. They have turned out products that meet specifications. The four ethylene projects in the Jinshan Petrochemical Plant, the Qilu Petrochemical Company, the Yangzi Petrochemical Company, and the Daqing Petrochemical Plant have all conducted test runs and have all been put into operation to provide a solid material foundation for the production of more plastic film for agricultural use and packaging. They are all designed with an annual capacity of 300,000 metric tons.

A number of cultural, educational, and municipal engineering facilities involved with projects for the Asian Games have also taken shape. The State Patent Bureau building, which towers over Xisanhuan Road in Beijing, receives hundreds of scientific and technical personnel and handles an average of nearly 80 patent cases every day. The 28-story building of XINHUA NEWS AGENCY handling scientific and technical business operations has become one of the eye-catching buildings in Beijing. It transmits the latest news of China and foreign countries in a number of languages to the world.

According to the briefing, the construction of these key state projects has been completed despite a shortage of funds and materials. The construction progress of the key projects was increased because every relevant department of the state and local governments at all levels took all measures to concentrate both financial and material resources to ensure the construction of the key projects in the energy, communications, posts and telecommunications, and important raw and semifinished materials industries. They performed official duties on site and improved management to overcome one difficulty after another. Relevant people say this kind of spirit, taking the interests of the whole into consideration, is praiseworthy and deserves recommendation to society.

RENMIN RIBAO Reshuffles Literature Department

*HK1801040790 Hong Kong WEN WEI PO in Chinese
18 Jan 90 p 2*

[Report: "The Literature and Art Department of RENMIN RIBAO Reshuffled"]

[Text] Beijing, 17 Jan (WEN WEI PO)—Personnel changes were made in the Literature and Art Department of RENMIN RIBAO a few days ago. Ding Zhenhai, former director of the Literature and Art Department of QIUSHI journal, took up the post of the director of the Literature and Art Department of RENMIN RIBAO. Shi

Ying, former editor-in-chief of Tianjin's SANWEN journal, and Li Derun, XINHUA reporter, became deputy directors of the department. Miao Junjie remained to be a deputy director of the department, but Lan Ling, former director, and Shu Zhan, former deputy director, were dismissed.

According to another report, major readjustments were also made at the upper level of WENYI BAO. A system with two editors-in-chief was implemented and Chen Yong and Zheng Bonong became editors-in-chief. Wu Taichang remained to be a deputy editor-in-chief, but Xie Yongwang, former editor-in-chief, and Chen Danchen and Zhong Yibing, former deputy editors-in-chief, were dismissed.

Commentary on True Qualities of Party Member

*HK1601125990 Beijing RENMIN RIBAO in Chinese
8 Jan 90 p 5*

[Commentator's article: "Preserve the True Qualities of a Party Member"]

[Text] Jixi City CPC Committee Secretary Liu Yongfan has only been in his official post for about 2 years. Why has he been able to do so many practical things and to solve so many difficult problems? The important reason is that he often stays, eats, and chats with the masses and he tends to think the same as the masses. He shows concern for the masses concerns and the strength of the masses is the foundation of his pioneering work. From Liu Yongfan, people can see the true qualities of a communist party member.

The Party Constitution provides: "A CPC member is forever an ordinary member of the laboring people." Communist party members are the vanguard fighters of the working class and laboring people and should place themselves in the midst of the laboring people, get along with the laboring people on an equal basis, think of what the masses think of, and be eager to meet the needs of the masses.

During the revolutionary war years, conditions were tough, life was hard, and the party leaders and many ordinary party members shared the comforts and hardships of the masses. Comrade Mao Zedong also personally concerned himself with and solved the masses' problems, chiefly of daily necessities, in Jinggangshan Prefecture. The masses in the Soviet Area [established during the Second Revolutionary Civil War period, 1927 to 1937] said: "The Communist Party is really good and thinks of everything for us." Forging close links with the masses became one of the CPC's three important work styles.

In the course of socialist construction, reform, and opening up, because the great majority of party members and party cadres still preserve the communist party members' true qualities of forging links with and showing concern for the masses, great achievements can therefore be scored in socialist construction.

Nevertheless, in recent years, as party building itself has been slackened, a tiny number of party members, especially party-member cadres, have been divorced from the masses and have even placed themselves above the masses. They have been unwilling to get together with the masses as if "mixing" with them would lower their status and they could not show off what officials and heads they are. Since these people keep aloof from the masses, the masses will naturally keep aloof from them. They do not know what the masses think nor do they know what the masses oppose. How can this be called correct guidance?

In his report at the second representative meeting of the Chongqing City CPC Committee in 1950, Comrade Deng Xiaoping said: "If the masses do not follow you, you will accomplish nothing."

The Party Central Committee is now appealing for the leading of a thrifty life for several years, further carrying out improvement and rectification, deepening reform, and pushing the great cause of reform and opening up onto the track of healthy development. If some 40 million party members can forge close links with the masses, show concern for them, and share comforts and hardships with the masses as Liu Yongfan does, the party's target will become the conscientious actions of the masses. Thus, our ranks will be all-conquering and our cause will be ever victorious!

Article Calls for Opposition to Liberalization

*HK1901060190 Lanzhou GANSU RIBAO in Chinese
15 Dec 89 p 3*

[Article by Yong Wenxuan (7167 2429 6513) and Yang Taiping (2799 1132 1627): "To Prevent 'Peaceful Evolution' It Is Imperative To Oppose Liberalization"]

[Text] The turmoil and counterrevolutionary riot, which occurred in the late spring and early summer days of this year, was a result of the infiltration and subversion by the international hostile forces and an outcome of the spread of bourgeois liberalization in our country. For this reason, we must resolutely and unremittingly carry out long-term and in-depth struggles against bourgeois liberalization in various spheres so that the soil and conditions for "peaceful evolution" can be eliminated and our socialist cause can continue to advance victoriously.

1. It is necessary to attach importance to eliminating the domestic political source of "peaceful evolution." In our country, the political rule of the bourgeoisie has already been overthrown and the state apparatus is in the hands of the proletariat. However, the struggle between the proletariat and the bourgeoisie in the political sphere is still very sharp and acute. In the political sphere, the people who are stubbornly advocating liberalization have directed their spearhead at the "four cardinal principles," attempting to negate the political prerequisite for reform and opening up and shake the political

foundation of our country. Under the pretext of "renewing understanding of socialism," they have advocated that socialism has failed and interpreted the practice over the past 40 years since the founding of the state as "utopian socialism" not tallying with the national situation and as a "national tragedy." By advocating that socialism and capitalism are moving towards harmony, what they are actually saying is that socialism is inferior to capitalism and that socialism is not applicable in China. They want to replace socialism with capitalism and take opposition to the Communist Party leadership as the main target in opposing the four cardinal principles. They hold that once the leadership of the Communist Party is abolished, the other purposes can also be attained. By saying that the party "has already been corrupted in various aspects," they are trying to realize their vicious goal of changing the nature of the Communist Party and finally forcing it to step down. Under the pretext of "striving for democracy, freedom, and human rights," they have vilified our society as one of feudal autocracy and advocated "absolute democracy, absolute freedom." They have negated the due position and role of laws and discipline, attempting to weaken the fundamental functions of the people's democratic dictatorship. Under the slogan of "adhering to and developing Marxism," they have wantonly stripped Marxism of its revolutionary essence and advocated that Marxism is already "outdated." They said that Marxism "is but an idea among all kinds of theories" and preached the "theory of renewal," trying to replace Marxism with their "new viewpoints" and "new thinking." This has brought about great confusion in the people's thinking, and very serious consequences have thus arisen. The reality of this serious struggle makes us understand that the struggle around the question of whether to protect or to abolish the four cardinal principles is actually a class struggle. If we lower our guard in this struggle, we may be routed all along the line in the political sphere and fall captive to bourgeois liberalization.

2. It is necessary to attach importance to eliminating the domestic economic source of "peaceful evolution." In the economic field, those who are stubbornly advocating bourgeois liberalization have adopted a tactic of stealing the beams and pillars and replacing them with rotten timber. Under the guise of "reform and opening up," they have negated the socialist economic system and clamorously advocated the abolition of the leading position of the socialist public ownership and practice of the private ownership. They have also clamorously advocated abolition of regulation by state planning and urged the replacement of it with the free market system. They said that "the private ownership and the free market system is an effective channel for China to shake off poverty and backwardness." Their final target is to adopt the capitalist economic system, which is characterized by the private ownership, and promote capitalist modernization on this basis so that the socialist economic system can be totally discarded. To attain this goal, they have called themselves the "elite of society," "true

reformers," and "experts" for solving the current economic problems in China. In fact, they know nothing about the Marxist economic viewpoints. They have just mechanically copied the "economic patterns" of some Western capitalist countries. They have done their utmost to encourage and support the phenomenon of liberalization in the economic field. When some people were brazenly negating public ownership, instead of correcting this mistake, they said that it is necessary to create a middle class by developing the private ownership. When some people were setting the planned economy against market regulation, they said that it is necessary to establish a perfect market economy. When some people were trying to negate the role of planned regulation of the socialist commodity economy, they encouraged people to engage in illegal businesses and "speculation," saying that "being an economic phenomenon, government officials engaging in speculation may play a promoting role in reform." They have thus legalized the practice of raking in profits by illegal means, which has led to serious inequality in social distribution. We must always be on guard against such a plot to destroy the socialist economic foundation by means of "nibbling" and "dissolving."

3. It is necessary to attach importance to eliminating the domestic ideological and cultural sources of "peaceful evolution." The struggle between the proletariat and the bourgeoisie is more extensive, more acute, and more direct in the ideological and cultural spheres. In these spheres, the people who are stubbornly advocating bourgeois liberalization have done their utmost to play down the ideological and political work of the party, which is a "superiority" and "magic weapon" of the party. By concocting a so-called "theory of transformation," they have tried a thousand and one ways to weaken and abolish ideological and political work and played down its important position and role. They have one-sidedly emphasized the principle of materials, making ideological and political work lose its due position. Originally, the relationships between politics and economy, between material civilization and spiritual civilization, and between red and expert are dialectical relationships. They depend on each other, change into each other, and supplement each other. But the people advocating bourgeois liberalization refused to take the viewpoint that everything has two aspects. On the relationship between politics and economy, they have only emphasized "reform and opening up" to the neglect of the "four upholds." On the relationship between material civilization and spiritual civilization, they have only emphasized the building of material civilization without mentioning the building of spiritual civilization. As a result, the building of spiritual civilization and ideological and political work have been weakened. A strong and effective ideological and political work is a "strong dike" of our party in the ideological field to prevent the spreading of nonproletarian ideas. However, the people advocating bourgeois liberalization have seriously damaged this dike. As a result, in the past few years, quite a few people were holding that "collectivism will inevitably strangle

individuality and creativity" and that "selflessness is but a demand put forth by slave owners to the slave..." Quite a few people were propagating the worship of money and "looking for money everywhere," and were propagating sexual emancipation and freedom. As a result, the people's souls have been seriously poisoned and various kinds of erroneous outlooks on life, such as being intent on nothing but profit, money making everything go, and being extremely conceited, have been beautified and supported by the theory. Some people have done all kinds of shameless things, having no guilty conscience. Many disgusting phenomena and vices, such as graft, bribery, drug taking, prostitution, robbery, and murder, have appeared in society. From this we can see that the great harm bourgeois liberalization has done to this sphere is really startling and shocking. Only when we have thoroughly eliminated the poisonous influence of bourgeois liberalization in the political, economic, and ideological and cultural fields through our unrelenting efforts can we fundamentally eliminate the soil and conditions for "peaceful evolution."

Article Refutes 'Stage-Skipping Argument'

HK2201040190 Beijing JIEFANGJUN BAO in Chinese
2 Jan 90 p 3

[Article by Yao Chengyou (1202 2052 0645): "Refuting the Argument of Disseminating Communist Ideas Being a 'Theory of Skipping Stages'"]

[Text] For some time, owing to the influence of bourgeois liberalization, some strange views appeared on the ideological front, criticizing those disseminating communism for their "skipping the theoretical stage," and ridiculing those advocating "education in the four qualities" for being unrealistic. Some people expressed publicly that "the spirit of Lei Feng is outdated," "solidarity is more important than theory," and the like. These ideas have caused great confusion in people's minds and need clearing up.

Is it true that propagating communism in the preliminary stage of socialism is skipping the theoretical stage? The answer is, of course, in the negative. In reality, the "theoretical stage-skipping argument" is a weapon used by those practicing bourgeois liberalization to negate the socialist system and oppose our educating the people about communist ideas. A few years ago, they advocated that the practice of socialism in China was skipping the theoretical stage and suggested that we go back and "take the capitalist lessons." When this argument was criticized, they began criticizing that disseminating communist ideas at the present time was skipping the theoretical stage, in an attempt to force communist ideas out of the way and usher in the capitalist outlook on life.

Outwardly, the "theoretical stage-skipping argument" appears convincing. In reality, it is a vehicle they use to confuse our minds. These people mix the guiding Marxist ideology with the argument that current policies should not go beyond the theoretical stage. Our country is still in the initial stage of socialism, therefore it is

necessary to implement and pursue policies and principles that are in keeping with this stage. We must not pursue policies that are only practicable in more advanced development stages of socialism as we did in the past, for instance, under the "left" guiding ideology, policies emphasizing "bigger in size and a greater degree of public ownership" and "egalitarianism and redistribution of resources and products." This kind of "skipping" greatly endangered the social life and economic development of our country. Nonetheless, the fact that we cannot go beyond the present concrete policies does not mean that we will not stick to Marxism as our guiding ideology or that we will not continue disseminating and educating about communist ideas. During the new democratic revolution, our party vigorously propagated communist ideals and the need to liberate the people. In order to practice these lofty ideals some people even laid down their own lives. Precisely under the encouragement of this spirit, numerous revolutionary martyrs laid down their lives and generously surrendered their bodies for the founding of New China. Their lofty ideals, convictions, and revolutionary spirit are great and are remembered from generation to generation. They are respected by hundreds of thousands of people. Isn't it strange that the lofty ideals and revolutionary spirit advocated during the new democratic revolution, which were the spiritual strength of the broad masses, are scornfully described as theoretical stage-skipping during the socialist period, the first stage of communism? Comrade Mao Zedong said: Communism is a social system as well as an ideological structure. The communist ideological structure serves to consolidate and perfect the socialist system. The socialist system provides an extensive ground for the propagation of and education in communist ideas. They owe their existence to each other and help each other's growth. How can we imagine that we only need the social system but not the ideological structure? If we give up the communist ideological structure, the socialist system will subsequently crumble. Perhaps this is what those who advocate bourgeois liberalization are looking forward to!

So, is the dissemination of communist ideas in line with the level of political consciousness of the masses? The answer is also in the affirmative. People who advocate bourgeois liberalization argue that our ideological education should be both advanced and extensive. They oppose the dissemination of communist ideas among the broad masses because they hold that this kind of propagation and education is forcing the demands of a minority of advanced elements onto the broad masses and therefore is not in keeping with the level of political consciousness of the masses. Here there is a problem regarding We say that in ideological and moral development we must proceed from reality, encourage advancement, look after the majority, and integrate the demands of advancement and those of extensiveness. This is completely correct. It is completely wrong and very harmful if our understanding of them is so parochial that we assume that they only demand party members and advanced elements set good examples for communist

ideals and that therefore it is not necessary to propagate and instill them among the broad masses. How can we let the broad masses know about Marxist theories and socialist and communist ideas if we abandon the dissemination of and education in communist ideas? And how can we raise the level of political consciousness of some of the masses to the level of advanced elements? Comrade Deng Xiaoping pointed out in a speech: "We must adhere to the development of material and spiritual civilization, stick to the 'five stresses, four beauties, and three loves, and teach the people of the whole country to treasure lofty ideals, high moral discipline, knowledge, and discipline." Here Comrade Deng Xiaoping was referring to the people of the whole country and not just some people. The demand for practical action and the demand for teaching are different. Practical action can be stratified and applies to different objects, while studying education contains a general nature. The whole people and the whole younger generation must receive Marxist education and education in the four cardinal principles.

The incorrect view that opposes the dissemination of Marxism and communist ideas among the broad masses is actually a kind of blasphemy against the level of political consciousness of the masses and their hopes. The Chinese people have long been nurtured by Marxism and Mao Zedong Thought, and influenced by a host of heroes and exemplary persons such as Zhang Side, Dong Cunrui, Huang Jiguang, Lei Feng, Wang Jie, and Jiao Yulun. Moreover, they have inherited the excellent ideas, culture, and advanced moral concepts passed down over several thousand years. They appreciate with their heart such virtues as impartiality, not putting oneself first, intolerance of bad deeds, honesty, thrift, and plain living and hard struggle. They hold in high esteem those who possess the aforementioned qualities, and hate and scorn strongly those who harbor and practice evil ideas such as selfishness, seeking gains by causing losses to others, corruption, and cowardice. Although some people have said that the "spirit of Lei Feng is outdated," the people still cherish his spirit and store up his glorious image in their heart. How can they say that disseminating communist ideas is not in keeping with the level of political consciousness of the people? Of course, the fact that we stress the need to teach the broad masses of people about Marxism and communist ideas does not mean in the least we will only deliver them in rigid and monotonous sermons that are devoid of content. These sermons not only defame ideological education, but also blunt the appetite of the people. They offer an excuse for bourgeois liberalization to "transform" and weaken our ideological work. In view of this, in carrying out communist ideological education, we must be realistic, explore new situations, solve new problems, and use vivid and interesting methods to enable the broad masses to comprehend and accept communist ideas.

Official Reaffirms Respect for Religious Beliefs

OW2201030990 Beijing Domestic Service in Mandarin
2230 GMT 20 Jan 90

[Text] The United Front Work Department of the CPC Central Committee and the Bureau of Religious Affairs of the State Council jointly sponsored a Spring Festival tea party for personages of the religious circles in Beijing on 20 January.

Liu Zhongde, deputy secretary general of the State Council, emphasized during the party: Our policy of respecting and protecting religious belief will not change, and it must be implemented accurately and comprehensively.

Three More Catholic Leaders Arrested

HK2301014990 Hong Kong SOUTH CHINA
MORNING POST in English 23 Jan 90 p 8

[By Daniel Kwan]

[Text] A senior official in charge of religious affairs has said that China will not tolerate attempts by foreign religious groups to interfere in religious matters.

At the same time, mainland police have apparently arrested three more clandestine Catholic leaders.

The director of the Bureau of Religious Affairs under the State Council, Mr Ren Wuzhi, said that China opposed "any attempts by hostile overseas forces to instigate social unrest and disturbance through religion".

At a tea party reception given jointly by the party Central Committee's United Front Works Department and the State Council's Religious Affairs Bureau, Mr Ren said that friendly contacts and exchanges between Chinese and foreign religious organisations would continue to be encouraged on the basis of mutual respect and equality.

"(Exchanges) will not only promote mutual understanding and friendship between the Chinese people and the outside, but will win international recognition and support for China's religious policies," he said.

China does not have diplomatic ties with the Vatican and it insists on the three principles of self-government, self-support and self-propagation of its Catholics.

Mr Ren's warning was issued as a Hong Kong-based Catholic group said that mainland police arrested three more Catholic leaders last month and that their whereabouts were not known.

According to the Union of Catholic Asia News (UCAN), a Hong Kong-based organisation, Father Shi Wande, Father Su Zheming and a lay leader Mr Wang Tongshang, all of the Baoding diocese of Hebei Province in north China, had been arrested.

UCAN said that Father Su was the new vicar-general of the diocese appointed by Vatican-appointed Baoding Bishop Joseph Fan Xueyan.

Bishop Fan disappeared on December 11 after "being taken away by local police authorities...possibly for a 'sightseeing journey'," it said.

The arrests were made after authorities stepped up their control on clandestine Catholic communities.

Yesterday, more than 20 members of a local-based Catholic group, the Justice and Peace Commission of the Hong Kong Catholic Diocese, petitioned the local NEW CHINA NEWS AGENCY office and urged the chairman of the National People's Congress, Mr Wan Li, to look into the matter.

Mr Patrick Yu, executive secretary of the commission, said the group had learned from reliable sources that more than 30 Catholic leaders had been arrested.

"We have a second list of people who are believed to have been arrested by mainland police," he said.

"We will announce it after we have confirmed their arrests."

Twelve Catholic leaders listed in the petition have been arrested.

Economic & Agricultural

RENMIN RIBAO Discusses Economic Results

HK2201101090 Beijing RENMIN RIBAO in Chinese
12 Jan 1990 p 6

[Article by Zhou Shulian (0719 0647 5571): "Improve Economic Results by Every Possible Means"]

[Text] Improving economic results is a basic issue in economic development. In view of China's current situation, the 5th Plenary Session of the 13th CPC Central Committee stated that we must unswervingly switch our attention to improving economic results as the focal point of our economic work, and to realize this by every possible means. In order to promptly improve economic results, I shall discuss the following issues:

To Pay Due Attention to China's Poor Economic Results

There have been different viewpoints regarding the current situation of China's economic results. Some comrades regard economic results as an equivalent of the growth rate of output value (in particular, the growth rate of gross industrial output value). They hold that a more rapid growth means better economic results. This is an incorrect attitude. Economic results refer to the relations between investment and output. Though there are relations between economic results and the growth rate of output value, they are of a different scope and are by means treated as equal. Otherwise, one will eventually make an erroneous judgement, be unable to get a clear picture, or fail to realize the seriousness of a drop in the current economic results.

After China began its reforms in 1978, there was a period in which the economic results improved. However, the trend later moved in another direction. Judging from materials from a variety of sources, important indexes regarding the economic results dropped after 1985, instead of increasing. According to the data available from the State Statistics Bureau, between 1984 and 1988, the capital-profit ratio of state-owned industrial enterprises with the status of an independent accounting unit was respectively 24.2 percent, 23.8 percent, 20.7 percent, 20.3 percent, and 20.63 percent. Their output-taxation ratio was respectively 23.2 percent, 23.6 percent, 22.3 percent, 22.6 percent, and 17.84 percent. Their rates of reduction in production cost were respectively -2 percent, -7.7 percent, -7.3 percent, -7 percent, and -15.59 percent. All these economic indexes showed a decline in development.

Such a drop in economic results was also shown by an increase in enterprise losses. Between 1984 and 1987, the extent of losses suffered by China's industrial enterprises with the status of an independent accounting unit was respectively 10.7 percent, 10.8 percent, 13.1 percent, and 14.1 percent. Their total losses were respectively 3,424 million yuan, 4,052 million yuan, 7,242 million yuan and 8,468 million yuan. It is estimated that the amount of losses in 1988 increased 38.1 percent over that of 1987, or 11.6 million yuan.

The proportion of material consumption by China's production departments to the gross output value was also on the increase. The total amount of material consumption by China's production departments to the gross output value during the Fifth 5-Year Plan, Sixth 5-Year Plan and 1986, 1987 and 1988, was respectively 56.1 percent, 57.3 percent, 58.6 percent, 59.4 percent, 60.6 percent. Of such consumption, the proportion of consumption by agricultural departments was respectively 28.4 percent, 30.5 percent, 32.2 percent, 32.5 percent, and 34.9 percent; and that by industrial departments was respectively 65.4 percent, 66.9 percent, 68.1 percent, 69.1 percent and 70.2 percent. Though such increase was, to a certain extent, related to the substitution of manual labor by machines, it was mainly a result of the drop in economic results.

We have long understood that in our economic construction, we must take an improvement of economic results as the focal point. Therefore, one cannot say that we are completely ignorant about its importance to the improvement of economic results. In our practical work of economic construction, as well as propaganda work and theoretical research, however, we failed to take (at least we never took) the issue of economic results as the focal point, nor did we have a proper understanding of the significance of improving the economic results. For instance, though we should have taken economic results as the prerequisite for speed, what we did was to emphasize speed at the expense of economic results. In another example, our reforms failed to improve the economic results, and the theory on improvement of economic results though reforming was unclear, so that we carried

out reforms just for the sake of reforming. Still in another example, though many articles were written in our recent discussion on inflation, the overheated economy, dislocation of distribution and so on, they ignored an important reason for the drop in economic results. Though these articles proposed a variety of measures, they ignored the key measures that everyone in the party should thoroughly understand: The urgency of improving the economic results and to halt the decline.

To Correctly Analyze the Subjective Factors and Objective Factors Affecting the Economic Results

When analyzing the factors affecting the economic results, we should understand why China's economic results dropped, and why they did in recent years. These are questions concerning two different areas. People often complain that an irrational composition of industries, dislocation of distribution in major aspects, outdated technological standards and poor management skills were the major reasons for the poor economic results. Undoubtedly, these comments were correct. However, they could not explain (at least they could not fully explain) why the economic results dropped. To say that the economic results are poor tells the situation of the results at a given point of time; whereas to say that the economic results dropped tells of the changes in the situation of the economic results at different points of time. In most cases, the results dropped because of some major factors adversely affecting. For instance, a further irrational composition of industries, further dislocation of distribution, and the drop in both technological standards and management skills, and so forth will bring about this result.

When analyzing the dynamic changes in the economic results over time, we should also distinguish objective factors from the subjective ones. For this purpose, I classify natural conditions, situation of productive forces, composition of industries, economic system, and management skills as the objective factors; and classify strategies of economic development, guiding ideology, principles and policies, and initiative and enthusiasm of the people as the subjective factors. Both the objective and subjective factors may move in one of the two directions, namely, to improve the economic results, or to bring about a drop in these results. We should note that objective factors take a long time to change, and, in most cases, their direction of change is related to the subjective factors. In recent years, China saw a drop in its economic results. This was mainly because, when we developed the economy and carried out economic reforms, we indulged in the thinking of striving for a quick success, so that there was an overheated economy, a dislocation of distribution, a chaotic economic order, and a drop in the management skills. Therefore, while it is natural that changes in the economic results are the result of various objective factors, the subjective factors, in particular the strategic guiding ideology, also play a very important role in it.

What will be the changes in China's economic results? Judging from some major factors and their influences, I believe that we can improve the economic results in every aspect. The basis of my assertion is mainly: (1) after a decade of reforming, enterprises have become more active, and the role of the market mechanism has been strengthened; (2) the scientific and technological standards, as well as the management skills, of many enterprises have been improved; (3) we have further defined the principles concerning a long-term continuous, stable and coordinated development of the economy, and are about to overcome the thinking of striving for a quick success, and handle well the relations between speed and economic results; (4) the work of rectification and consolidation will also improve the economic results; and (5) both enterprises and the whole national economy have a great potential in improving the economic results. Provided that we take the initiative to work hard, and do well in a down-to-earth manner, our economic results will gradually and constantly be improved. Of course, we must realize that there are many unfavorable factors that hinder such improvement. For example, if we fail to do the work well, it is possible that the economic results will continue to drop. The key to this issue rests with our objective efforts.

Ways to Improve the Economic Results

In order to really improve the economic results, we must unswervingly implement various measures of the "Decision of the CPC Central Committee on Further Rectification and Consolidation, and on In-depth Development of Reforms," and do the work well in the following aspects: **First, to correctly handle the relations between speed and economic results.** Following the founding of the state, we repeatedly acted blindly and strived for an excessive speed of development (we mainly strived for an excessive speed of industrial growth). Inevitably, this brought about the following consequences: (1) The development of agriculture was squeezed out by that of industry, so that the distribution between agriculture and industry was dislocated, as was the distribution of basic facilities between industry and transportation; (2) there was an internal dislocation of distribution in industry so that different parts of industry squeezed out each other, heavy industry squeezed out light industry, the processing industry squeezed out the raw materials and mining industries; (3) the production and maintenance trades were squeezed by capital construction, and existing enterprises were squeezed by newly constructed enterprises, so that the progress of technological transformation was affected, and technological advancement was very slow; (4) phenomena existed that made the economy overheated, that aggregate demand exceeded the aggregate supply, that the national income was excessively distributed, and that the accumulation fund was squeezing the consumption fund; (5) enterprises ignored management work as they were busy accomplishing their output targets. Besides, some government departments were so busy pursuing speed that they

ignored macroeconomic control; (6) the speed of development was so high that we were forced to readjust it. Therefore, a "sharp rise" was often followed by a "sharp plunge". A collective manifestation of these consequences was the drop in economic results. In this respect, we must earnestly draw a lesson from our experience over the past 40 years in economic construction. From now on, we must handle well the relations between speed and economic results, and continue to uphold the correct principle of developing a long-term stable and coordinated economy. **Second, correctly handle the relations between rectification and consolidation, and an in-depth development of reforms.** In order to overcome difficulties such as the serious inflation, the excessive aggregate demand of society over its aggregate supply, the serious dislocation of distribution, and the chaotic economic order, we must resolutely carry out rectification and consolidation. Obviously, to do well in rectification and consolidation is favorable to improving the economic results. Furthermore, the improvement of economic results is a goal of rectification and consolidation in itself. While we focus on rectification and consolidation, we must arrange our reforms around such work and make them serve it. However, under no circumstances does rectification and consolidation mean a standstill in reforming, still less an act to "give up reforming" or "restore the old system." Rectification and consolidation, which still requires corresponding reform measures, will create the necessary conditions for an in-depth and healthy development of reforms. At present, it is necessary, and possible, for us to intensify and perfect reforms in the system of contracted responsibility among enterprises, the system of contracted fiscal work, the financial system, the system of foreign trade contracts, the system of materials control, the planning system and the macroeconomic readjustment. After we have handled the relations well, we shall promptly put an end to the drop in the economic results and the economic results will be gradually improved. **Third, to quicken the pace of scientific technological advancement.** By relying on science and technology, we may save our labor time, use the production equipment more efficiently, improve the utilization of power and raw materials, and improve the product quality. Thus, we can see that technological advancement is a major source for the improvement of the economic results, in which China have greater potential in this respect. Therefore, we must place technological advancement in a very important position. We must select a number of technological achievements which require little investment to produce but yield big profits, and pool together our technological force and research funds to popularize such achievements. We must act in accordance with the requirements of the state's industrial policies, and select a number of traditional industry projects which are favorable to our economic development, projects that transform, import and assimilate technology, and projects that produce high-technology goods, export products and import substitutes. We must organize large and medium-sized enterprises, as well as research institutes, to tackle technological problems, and to promptly turn those problems into productive forces.

We must emphasize the technological transformation of the existing enterprises. We must ensure that funds for such transformation are really used for the designated purposes, so as to improve the product quality, conserve materials consumption, and encourage the practice of upgrading. We must speed up the pace of replacing imported equipment by locally produced ones, and develop high-technology industries. Moreover, we must develop and perfect the scientific and technological market, and speed up the process of turning science and technology into the productive forces. **Fourth, to strengthen and improve enterprise management.** In order to improve the economic results, we must also handle well the relations between the economic results of enterprises and those of the national economy as a whole. When improving the economic results, we put our basis on the economic results of the whole national economy. In order to improve the economic results of enterprises, we must improve the technological standards, as well the management skills, of such enterprises. To a larger extent, an increase in such enterprise's technological standards is determined by the increase in the management skills. At present, the business management of enterprises is plagued by problems, such as chaotic management, relaxed discipline and so on. Moreover, some comrades held that reforms would naturally improve the management skills, and many enterprises adopted the practice of "replacing management by reforms" and "replacing management by contracting". As a matter of fact, reform can never replace management, or naturally bring about improved management skills, though it may provide favorable conditions and a powerful strength to improve the management. In order to improve the management skills, we must integrate an in-depth development of reforms with a strengthened management. We must spend major efforts to strengthening and improving the labor management, materials management, capital management, cost control, quality control and other basic work of enterprises. We must work out sets of rigid technical procedures and labor discipline, carry out the campaign of striving for "an increase and a reduction in two aspects" in a down-to-earth manner, and turn losses into profits. Besides, we must intensify internal reforms in enterprises, uphold the adoption of a friendly system of contracted responsibilities for managers, perfect the democratic system, strengthen the ideological and political work, and give full play to the initiative, enthusiasm and creativeness of workers. Therefore, we shall really increase the output while consuming less materials, promote better economic results, and fully tap the potential of enterprises.

Article Discusses Economic Situation, Prospects

HK2401082590 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 3, 15 Jan 90 p 1

["Letter from Beijing" by Bao Xin [7637 0207]: "Talking About the Economy As the Old Is Gone and the New Is Ushered in"]

[Text] Elder Brother,

Accounts are settled toward the end of the year, as has been the custom from time immemorial in China. The year 1989 is just gone. What were China's overall accounts like in that year after all? In other words, what, after all, was China's economic state that year. I want to make a brief review here.

Given the relative slowness in statistical work and differences in different fields, exact statistical figures for different industries that year are still being successively released. According to statistics already obtained, it may be stated this way: Economic conditions have been a case of both good and bad news. But the good news outweighs the bad.

China now has a population of 1.1 billion. Properly solving this problem of food for a population of 1.1 billion is indeed a matter of top importance in economic work. In 1989, China's grain output reached 814.9 billion jin, or the 1984 record. This was a little better than the estimate made when last year's autumn crop had just been gathered in. When the guideline of improvement and rectification and the deepening of reform was first put forward, striving for a good harvest in agriculture was taken as one of the three main targets. Now it seems that this target has been basically realized. Apart from grain, harvests from cotton and oil-bearing crops are also not bad.

After 4 years of slump, grain again reached the highest level in history. This is also a mixed blessing. On a per capita basis, given a 60 or 70 million population increase in 5 years, the actual share of grain per person was only 724 jin, a drop compared with the 1984 per capita share of 788 jin. Then where lies the hope for China?

Herein lies the hope. The rally in overall grain output is an indicator of a new turnaround in agriculture and a good beginning. Since the call for improvement and rectification was put forward, there has been an obvious strengthening in the "sense of agriculture" on the part of the people of the country. This finds expression in many respects: The state has established an agricultural development fund and strengthened investment in agriculture through many channels. A readjustment has been made in the obviously depressed prices for contracted grain purchases. Chemical fertilizer and other means of agricultural production have been committed to specialized operations, guaranteeing the availability of relevant chemical fertilizers, diesel oil, and so forth. There has been more support for "science and agriculture." News reflecting this good beginning has come in endlessly. For example, the press here yesterday frontpaged two news items: One is that the central plans this year call for an increased investment of 1 billion yuan in agriculture, a 30 percent increase over 1989. It is the largest state investment in agriculture in 10 years. The governments of various areas are also increasing investment in agriculture. For example, the two provinces of Shandong and Hubei made respective increased investments of 30 million yuan in farm irrigation facilities alone. Of course, peasants are the main factor in agricultural input. The state and various areas are still paying attention

to arousing peasant enthusiasm to increase input. Another piece of news is that statistics from the State Land Administration show that 1989 saw the least decline in cultivable land for 30 years. The trend toward a sharp drop in China's cultivable land has been initially controlled.

As far as industry is concerned, the two figures announced a few days ago are gratifying news. One has to do with last year's steel output reaching 60 million tons. The other is related to an increased energy output, with coal and charcoal output reaching 1.4 billion tons, an increase of 6 percent over the preceding year. The national total at-one-time [yi ci xing 0001 2945 1840] energy output reached 1 billion tons of standard coal, an increase of 4.8 percent over the preceding year. Its ratio to the growth of the gross national product, or the so-called flexible coefficient [tanxing xishu 1734 1840 4762 2422] has been raised from 0.29 last year to around 0.7. Electricity production is estimated to reach 580 million units, an increase of 7 percent over the preceding year. The flexible coefficient for electric power has also been raised from last year's 0.57 to around 1. According to domestic and international estimates, only with the at-one-time energy flexible coefficient reaching 0.5 and the electricity flexible coefficient reaching above 1 can there be a guarantee for the normal operation of the economy. But these two targets in our country in 1989 approached the normal level.

Iron and steel and energy are both fundamental industries. The energy industry in particular must be energetically strengthened in the process of improvement and rectification. Emphasis on energy, transportation, and other fundamental industries was needed in 1989 to bring them in line with the mix of the processing industry. This is one of the important achievements in the improvement and rectification effort.

As to the textile and light industries, food, and other industries guaranteeing effective supplies, there was also very obvious growth in 1989. Foreign trade, tourism, and other industries suffered for a time. But near the end of the year, there was also a pickup. For example, by the end of the year, the number of travelers to China had again risen to 80 or 90 percent of that in the corresponding period of the preceding year. The total volume of exports up to the first part of December, according to statistics compiled by the Ministry of Foreign Economic and Relations and Trade, showed an increase of 6.9 percent over the corresponding period last year.

The sluggishness in the market appearing in the second half of the year for a time aroused people's concern. But it has become relatively clear that this is a stage-related phenomenon that inevitably appears in the process of improvement and rectification. It has deep internal causes. Generally speaking, China's economy will be of the shortage type for a fairly long period. It is not a type marked by lack of demand and consumption. Therefore, we must properly solve the problem of market sluggishness on the basis of this fundamental awareness. That is to say, we must continue upholding the guideline of

retrenchment, take advantage of current opportunities to readjust the mix of consumption, and put up with the throes of readjustment. Meanwhile, we must also give necessary guidance for the overcooled market, bringing about a moderate revival. Given this guiding idea and the upcoming briskness of the New Year and Chinese Spring Festival market, generally speaking, the market is also tending to be normal.

In sum, we have smoothly passed the first year of difficulty in the improvement and rectification effort. It is believed that there will be continuous progress in the new year. This is people's general state of mind as they say goodbye to the old year and usher in the new one.

Bank of China Guarantees Payments to Foreigners

HK2301014290 Beijing CHINA DAILY in English
23 Jan 90 p 2

["Special to China Daily" by Zhu Weihua: "BOC Head Backs Bank Services"]

[Text] Bank of China's president says the bank will guarantee foreign-related payments and continue to maintain business links with the international financial community.

Wang Deyan, who is also chairman of the board, said the Bank of China will continue specializing in foreign exchange and foreign trade to back the country's open-door policy.

On Saturday, the Bank of China gave a grand reception for 200 Beijing representatives of foreign banks, securities, leasing and insurance companies to celebrate China's Lunar New Year which started on Saturday.

He said that the bank will honour all foreign debts, letters of credit and payments to foreign clients.

Wang also said that the bank will continue to make special arrangements in both renminbi yuan and foreign currency loans to support production in foreign-funded enterprises which will get more loans this year.

Bank of China has 3,600 branches and offices at home and abroad.

Wang said since last June, most foreign banks have continued their normal business links with Bank of China and have stated their willingness to continue these operations.

At present, the bank maintains business links with 4,000 foreign banking institutions.

Meanwhile, the PEOPLE'S DAILY reports that the bank loaned 120 billion yuan (\$25.5 billion) to export-oriented enterprises to help increase production last year, up 19.2 billion yuan (\$ billion) from the previous year.

In addition, the paper said, the bank also increased the proportion of loans for machinery and foreign-funded enterprises last year.

The bank issued loans worth nine billion yuan (\$1.9 billion) and \$800 million to foreign-funded enterprises last year.

Four Banks to Increase Credit Loan Input

OW1901142590 Beijing Domestic Service in Mandarin
1030 GMT 14 Jan 90

[From "National Hookup" program]

[Text] In 1990, China's four major specialized banks will, under the prerequisite of continuing to keep the total of credit loans under control, increase credit loan input on a selective basis to guarantee satisfying the need for the rational growth of the national economy. The four major specialized banks are the Industrial and Commercial Bank of China, the Bank of China, the People's Construction Bank of China, and the Agricultural Bank of China.

Zhang Xiao, president of the Industrial and Commercial Bank of China, said: In addition to the 80 percent of newly-increased loans in 1990 to be exclusively used in key trades, projects, and products, and in large and medium backbone enterprises conforming to the industrial and credit loan policies, the Industrial and Commercial Bank of China will concentrate on helping enterprises enliven funds lying idle because of products and end products kept too long in stock. According to statistics on 40,000 state-run industrial enterprises, current funds abnormally lying idle are as high as over 50 billion yuan. Whether we can invigorate these 50 billion yuan of idle funds in products and end products kept in stock has become a question concerning the whole situation in our national economy. Zhang Xiao called for leaders of all enterprises to be responsible for setting concrete goals for invigorating funds lying idle, and conscientiously grasp the work with results.

Wang Deyan, president of the Bank of China, emphasized that we support whoever exports. It is still the principle of granting loans which the Bank of China upholds. Last year, the Bank of China offered 121,882 million yuan in loans to import and export enterprises. In the entire year of 1989, the bank offered a total of \$8.76 billion in foreign exchange loans. This year, the Bank of China will still support foreign trade and export-orientated enterprises, and properly increase loans for enterprises invested in by foreign firms to develop China's foreign trade.

In planning this year's credit loans for the People's Construction Bank of China, Zhou Daojiong said: Capital construction loans under the state mandatory plan are mostly spent on building energy resources, communications, and key raw and semifinished materials industries. It is necessary to guarantee supply of funds on a priority basis. Loans for fixed asset investments must

also yield to trades and products which the state develops on a first-priority basis. Loans for circulation funds in the building industry must give first priority to supporting state-run enterprises which undertake the construction task of key state projects and backbone enterprises whose funds are inadequate, but whose economic results are good.

Ma Yongwei, president of the Agricultural Bank of China, said: In 1990 and 1991, the Agricultural Bank of China will raise the proportion of loans for agriculture by 2 percent, and they will be mainly spent on supporting construction of agricultural and sideline production bases and dissemination of agricultural science and technology. To encourage agricultural banks at all levels to increase the input of loans for agriculture, the headquarters of the Agricultural Bank of China has decided to reduce the interest rate for banks whose incomes are affected by offering loans for farm machinery. On the contrary, the bank will correspondingly increase the interest rate for banks failing to fulfill the plan for agricultural loans.

1989 Inflation Totals 17.8 Percent

OW2401092890 Beijing XINHUA in English
0813 GMT 24 Jan 90

[Text] Beijing, January 24 (XINHUA)—China's price index rate was 17.8 percent in 1989, a bit lower than the 18.5 percent in the previous year, according to a release by the State Statistical Bureau here today.

Price increases dropped each month except in February which saw a 27.9 percent increase in the retail prices calculated on an annual basis.

The rate was only 6.4 percent last December over the previous year's record.

A bureau official said the retail price index climbed by 18.6 percent in 35 large and medium-sized cities in the year while it jumped by 22.1 percent in 1988.

The official said the new factors accounted for 6.4 percent of the price index, far less than the 15.9 percent of 1988.

He also said the cost of living in urban areas climbed by 13.9 percent last year, noticeably lower than the 22 percent in 1988. Most non-staple food prices have been brought under control.

Taxation Administration Officials Announce Changes

Personal Tax Revenues Increase

OW2201165490 Beijing XINHUA in English
1438 GMT 22 Jan 90

[Text] Beijing, January 22 (XINHUA)—China's revenue from personal income readjustment taxes reached 600 million yuan last year, five times the amount of 1988.

This indicates that people have become more aware of their duty to pay the taxes and that the management of tax revenue has become stronger, said Jin Xin, director of the State Administration of Taxation, here today.

As personal incomes in China were generally low in the past, China did not impose this kind of tax until 1987, when incomes increased greatly thanks to the economic reforms and opening to the outside world.

Jin said more and more people are paying taxes on their own initiative, as all administrative departments of taxation have tried to promote publicity for the tax law.

Meanwhile, the departments strengthened the control and management of revenue by punishing those who evaded taxes.

Jin said: "More and more Chinese people have realized that the revenue of personal income readjustment taxes is one of the measures introduced to ease the unfairness of distribution."

Improving Tax Collection

OW2201155090 Beijing XINHUA in English
1309 GMT 22 Jan 90

[Text] Beijing, January 22 (XINHUA)—China collected 13.2 billion yuan from private businessmen and entrepreneurs last year, the State Administration of Taxation announced here today.

Jin Xin, director of the administration, said at a press conference that of the amount collected last year, 2.1 billion yuan were recovered from private businessmen and entrepreneurs who tried to evade taxes.

More than 11,000 private businessmen were each found to have evaded more than 10,000 yuan in taxes.

Jin said a private businessman in south China's Guangdong Province was found to have evaded taxes of 1.2 million yuan. Now all the taxes have been paid.

Judicial departments dealt with more than 3,000 case of tax evasion, of which 1,500 were settled. Sentence was passed on 144 private businessmen who evaded taxes.

Foreign Venture Taxes Unchanged

OW2201165390 Beijing XINHUA in English
1433 GMT 22 Jan 90

[Text] Beijing, January 22 (XINHUA)—China collected 3.59 billion yuan in levies from joint ventures and foreign business institutions in the country last year, a 33.9 percent increase over the figure for the previous year.

Announcing this today, Niu Licheng, deputy-director of the State Administration of Taxation, said the tax policy for foreign-funded enterprises and institutions remains unchanged.

The tax increase last year was due mainly to the fact that many foreign-funded businesses had reached the deadline of preferential tax treatment.

Taxes imposed on them include income tax, industrial and commercial taxes, individual income tax, real estate, ship and bus registration taxes.

There are now more than 20,000 foreign-funded or joint ventures on the mainland of China.

Niu said the strengthening of taxation management on joint ventures has also contributed to the revenue increase.

However, some foreign-funded businesses have committed serious tax evasion recently.

Departments concerned are considering adopting a common international practice of taxation management to tackle the problem.

He emphasized that China will persist in the open-door policy and continue to give preferential tax treatment to foreign-funded businesses.

He added that the government has no intention of introducing new kinds of taxes for foreign businesses this year.

Further on 22 Jan Trade Press Conference

Views Western Loan 'Promises'

OW2201171390 Beijing XINHUA in English
1532 GMT 22 Jan 90

[Text] Beijing, January 22 (XINHUA)—Some Western countries have promised to renew their loans to China, Liu Xiangdong, spokesman for the Ministry of Foreign Economic Relations and Trade, said here today.

Liu told a press conference that these active gestures deserve a welcome even though they are still "oral promises with no, or only few, real actions".

He declined to say which Western countries made such promises.

Some developed nations in the West have imposed economic sanctions against China since June last year, limiting technology transfers and suspending governmental loans to the country.

Ministry statistics show that foreign loans agreed to in the year totalled 4.8 billion U.S. dollars, an amount 51 percent lower than that in 1988, and the used amount was reduced to 5.9 billion U.S. dollars, a fall of 9 percent.

These sanctions directly reduced imports, Liu said, including technology import contracts already signed.

Contracts for technology imports approved last year numbered 328, down by 25 percent, while their value at 2.92 billion U.S. dollars decreased by 18 percent.

Although bilateral governmental aid to China remained unaffected, Liu said, most multilateral aid packages were suspended and some projects already signed had also to be halted.

No Problems in Repaying Loans

OW2201170490 Beijing XINHUA in English
1518 GMT 22 Jan 90

[Text] Beijing, January 22 (XINHUA)—China's foreign exchange reserves totalled 16.3 billion U.S. dollars on December 20 last year, said Liu Xiangdong, spokesman for the Ministry of Foreign Economic Relations and Trade, at a press conference here today.

He said the reserves began to grow on a monthly basis from the third quarter last year. They achieved a remarkable rise of two billion U.S. dollars in just 80 days.

China has no problem in repaying its foreign loans and interest this year, Liu said. Nor will it in the next few years. He cited large surpluses in its trade and non-trade income as a proof.

Another ministry source told XINHUA that China's current account foreign exchange balance at the end of 1989 was more than double the previous year's figure and was the highest since 1985.

Liu said China's annual foreign debt payment averaged seven billion to eight billion U.S. dollars in the past few years and its ability to service future debt will be further improved if export growth can be maintained.

Although the structure of imports will be adjusted during the continuing economic retrenchment, the whole scale of imports will grow rather than shrink.

As a developing country, Liu said, China will use its precious foreign exchange income mainly on such priority imports as materials to ensure construction, people's everyday necessities and advanced technology and much-needed equipment.

Appropriate brakes will be applied to the import of consumer goods, particularly luxury items, while the import of machinery and electronic products that are locally produced in plentiful supply will be strictly controlled.

Statistical Bureau Details Trade Deficit

OW2401110690 Beijing XINHUA in English
0919 GMT 24 Jan 90

[Text] Beijing, January 24 (XINHUA)—China's foreign trade volume topped 111.6 billion U.S. dollars in 1989, 8.6 percent higher than the previous year, according to a release by the State Statistical Bureau here today.

Exports accounted for 52.5 billion U.S. dollars of the total, a 10.5 percent increase, while imports rose by seven percent to 59.1 billion U.S. dollars.

Excluding imports and exports of processed materials, donated goods and equipment for joint ventures, the actual trade deficit was 2.85 billion U.S. dollars, 430 million U.S. dollars less than the trade deficit of the previous year.

Export volume of goods which earn hard currency totalled 43.03 billion U.S. dollars, up 8.8 percent. Exports through border trade rose 80.3 percent.

Exports of goods processed with materials supplied by overseas partners increased by 19.6 percent, while the import of equipment supplied as investment by overseas partners rose by 37.9 percent.

Cash balance of foreign exchange rose by a big margin, according to the release.

Minister Views Raising Level of Effective Supply

HK2401005590 Beijing RENMIN RIBAO in Chinese
16 Jan 90 p 2

[Article by staff reporter Liu Guilian (0491 2710 5571): "Raise the Level of Effective Supply in the Light Industrial Products Market—An Interview with Zeng Xianlin, Minister of Light Industry"]

[Text] Upon the beginning of a new year, this reporter had an interview with the Minister of Light Industry Zeng Xianlin. We began our conversation with the National Excellent New Light Industrial Products Show which had just ended.

Minister Zeng Xianlin said: We held an opening ceremony on the morning of the first day of the show, and the exhibition was open to the public in the afternoon. Though we sold only a small number of tickets for the limited space, the sales ran to 300,000 yuan for the afternoon. There have been discussions about sluggish market recently. This problem is complicated, but the crux of the matter lies in whether the products cater to the need of customers.

With regard to the light industrial production last year, Minister Zeng told this reporter: The light industrial front took the economic improvement and rectification, and deepening of the reform as a guiding principle, and increasing the effective supply of light industrial products as the central task last year. Through the common efforts of 12 million light industrial workers, we have basically guaranteed the effective supply in the light industrial products market. The principal expressions are: We have achieved equilibrium of demand and supply; the prices of commodities have become reasonable; and we have made certain in our effort to support those factories which turn out quality products and exercise control over those which produce shoddy goods. The gross output value for the light industry for last year increased 4 percent over the previous year, and the foreign exchange earned swelled by 15 percent. On the whole, a benign trend of attaching importance to quality and efficiency has emerged on the light industrial front.

This is what we hoped to achieve but failed to over many years, but we gained success amid the economic improvement and rectification. It is gratifying. Of course we got into a number of difficulties. For example, overstocking of several kinds of products, and shortages of raw and semifinished materials, energy, foreign exchange, and funds. But these difficulties can be overcome step by step.

Minister Zeng was confident of success in this year's work, saying: Difficulties and challenges, or difficulties and opportunities go hand in hand. If 1989 was a year during which the workers on the light industrial front succeeded in improving and stabilizing the light industrial products market, 1990 will be a year during which we will continue to expand the market and raise the level of effective supply. We shall take "carrying out the policy of developing the economy in a sustained, stable, and coordinated way, and raise the level of effective supply" as our principal task for 1990 and a certain period of time beyond. Minister Zeng explained: In the last year, we devoted our effort to increasing the "quantity" of products. In light of practical conditions, we can no longer be satisfied with increased quantity; we must make headway. The main indications for raised level of effective supply include: products are new, grades varied, quality high, prices low, and services satisfactory. We have to make great efforts in these five respects.

Minister Zeng continued to explain the ways for accomplishing the principal task:

- The light industrial production is closely related to market demand. To make an in-depth study of the market is one of the Light Industry Ministry's jobs which concerns the overall interest. It is necessary to conscientiously conduct a market survey and lift the level of effective supply. When the level of effective level is lifted, the circulation of commodities will speed up, and the production will get onto the right track of a sound cycle.

- It is necessary to expand the rural market. Over many years past, we have exerted greater efforts to develop and design products in line with the need of the peasants, but failed to create a pattern of production which is oriented toward rural areas. We must change this situation as soon as possible.

- It is necessary to readjust the structure. Minister Zeng pointed out: The principal problems with the light industrial structure are: The economic size of a number of enterprises are irrational so that they cannot produce a rational amount of goods as required; some favorite trades expand arbitrarily and their processing capacity is excessive; traditional trades are backward technologically and their equipment is outdated so that they are unable to adapt themselves to the change in domestic and international market demands; trades producing small items grow too slowly; the proportion of technology intensive trades is too small and their level is low. Minister Zeng said that from now on we shall make the readjustment of product mix our primary task to promote

the readjustment of the enterprise structure, the trade structure, and the regional structure.

—It is necessary to vigorously spread advanced technology. This is something of strategical importance and decisive for raising the level of effective supply. Minister Zeng emphasized that we relied upon a three-in-one body composed of cadres, technicians, and workers to expedite technological progress in the past. This measure proved successful. It is necessary to organize such a group now and improve it under the new conditions. The masses' minor invention, minor creation, and minor reform are also an important aspect to promote technological progress and should be vigorously encouraged.

Song Jian Says High Tech Industry Crucial

OW1801215090 Beijing XINHUA in English
1453 GMT 18 Jan 90

[Text] Beijing, January 18 (XINHUA)—China will step up its high-technology industry so as to increase the export of high-tech products in the 1990s, Song Jian, minister of the State Science and Technology Commission, said here today.

Song, who is also a state councillor, told the local press that the high-tech industry is crucial to the country's economic take-off.

Statistics show that China's high-tech exports in recent years accounted for only 2.3 percent of the total.

In 1987 China began a high-tech research program covering bioengineering, space, information, lasers, electronics, automation, energy and new materials technologies.

It was an effort to keep abreast of world developments and achieve some of its own breakthroughs.

In 1988 China initiated a "torch program" nationwide to create a favorable environment for the development of new technology and high-tech industries, and to accelerate the application of such technology to production.

Song said China will continue and promote its international scientific co-operation. Its scientific development has benefited a lot from the current policy of reform and opening to the outside world, and international exchanges are indispensable for further development.

The minister said China is still backing and encouraging non-government research organizations. Their positive role in the exploitation and application of scientific findings should be given full play.

China is reported to have 400,000 scientists working in such organizations, which are mostly collectively-owned.

Song encouraged Chinese scientists to continue their efforts in developing township enterprises and agriculture.

About one million scientists and technicians are working in rural areas on the scientific "spark", "harvest" and "prairie" programs.

Offshore Oil, Gas Exploration Stepped Up

HK1901004690 Beijing CHINA DAILY in English
19 Jan 90 p 1

[By our staff reporter Li Hong]

[Text] An ambitious programme to speed up exploration and production of offshore oil and gas—within the Eighth Five-Year Plan (1991-95) period—has been worked out by China's energy planning board, CHINA DAILY has learned.

"The success of this programme will help to ease the country's continuous energy shortage," according to a leading industry official.

The guiding principle in the programme is "to intensify China's cooperation with foreign consortiums, while reinforcing our own capacity in offshore prospecting and drilling," said Zhong Yiming, president of China's National Offshore Oil Corporation (CNOOC).

Zhong told CHINA DAILY in an interview yesterday that specific goals have been set for the country's offshore oil output in the next five years. The output this year will reach 1 million tons while 5 million tons of crude will be produced in 1992, 6 million in 1993, and the production capacity is expected to hit 8 million tons in 1995.

By 1995, more than 20 offshore oilfields will have been developed in the country's coastal areas, he said.

Last year, China's three offshore oilfields produced more than 900,000 tons of crude.

The president reiterated four deals his corporation will focus on in the years to come.

First of all, the corporation will stick to and carry out consistently those sealed contracts between CNOOC and foreign oil companies.

According to Zhong, to date \$2.22 billion of "risk exploration funds" and \$430 million of development funds have been invested by foreign consortiums, leading to the production of three offshore oilfields.

In conjunction with foreign firms, China is opening up four offshore oilfields and will soon move to another five newly-developed petroleum and gas fields, most of them located in the Pearl River estuary, south of Guangzhou.

These foreign consortiums have come from the United States, Japan, Britain, France, Italy and Norway.

During the current economic restructuring and retrenchment programme, China's offshore industry should try every way to overcome its difficulties, Zhong said.

Zhong said that his corporation and other two companies from Japan and the United States had entered into an agreement to investigate the possibility of a joint venture in the middle of this year.

Posts Ministry Raises Postage for Overseas Mail

*OW1901145690 Beijing XINHUA in English
1443 GMT 19 Jan 90*

[Text] Beijing, January 19 (XINHUA)—The Chinese Ministry of Posts and Telecommunications will soon raise postage for overseas mail in line with the recent devaluation of the renminbi (RMB), or Chinese currency, according to ministry sources.

The postage for a piece of ordinary overseas mail weighing less than 20 grams will be raised to RMB 1.50 yuan (0.32 U.S. dollars) from the current 1.20 yuan (0.26 U.S. dollars), the sources said.

Meanwhile, the extra charges for every 10 or less grams of overseas airmail will be raised to RMB 0.50 yuan from the current 0.40 yuan. Postage for other kinds of overseas mail will also be raised at a similar rate.

Postage for mail to the regions of Hong Kong, Macao and Taiwan will also be raised at the same rate.

The new postage rule for overseas letters will go into effect as of February 1 and that for overseas parcels as of March 1.

China devalued the RMB by 21.2 percent as of December 16, last year.

Commentary Urges Overhauling of Vegetable Market

*HK2301125090 Beijing JINGJI RIBAO in Chinese
4 Jan 90 p 1*

[Commentator's article: "Planning 'Vegetable Gardens' and Overhauling 'Vegetable Stands'"]

[Text] The debate on the "food basket" has continued for several years. People have noticed that in the "food basket"—related problems of "vegetable gardens" (understood widely as vegetable production) and "vegetable stands" (understood widely as vegetable supply)—some obvious changes have occurred. In areas of production, a multi-tier and all-round production pattern centered in the suburbs has changed the situation where the market supplied only what was locally produced. In the area of circulation, the previous sole operation by one enterprise has been replaced by a multi-channel circulation dominated by state-run commercial concerns, and nationwide, the scale of readjustment has also gradually increased, which has alleviated the sharp fluctuations between peak and slack seasons and given play the functions of a combination of planned and market adjustment. As a result there is a vegetable market which has seen brisk sales and purchases, sufficient supply, rich variety, high quality and rational prices. There has been

much improvement in the "food basket" for general consumers. We should give full recognition to this achievement.

But problems of serious concern have also appeared in the reform process in vegetable production and sales systems. The problems surfaced in 1989, with blind production and lively but disorderly circulation.

Production blindness are problems in the area of "vegetable gardens." The adjustment in crop mix has encroached upon the old vegetable fields in the suburbs, labor has switched to sideline industrial production, and vegetable growing bases are steadily moving to areas outside of suburbs, and into rural areas. The economic returns of vegetable growing are higher than those of grain, especially in the southern regions where the peasants take advantage of the warm climate and grow vegetables on fallow land in winter, which has expanded their incomes by several hundred yuan more for each mu without affecting the planting of crops in the coming year. There is a saying in rural areas: "Grow vegetables if one wants to get rich quickly." Whether in the north or south, in suburbs or rural areas, there is high enthusiasm to grow vegetables, the result of which has been a rapid increase in vegetable growing areas. Last year the Chinese cabbage growing areas in 64 large and medium cities and 12 major productive counties increased 14 percent over the previous year, the volume of the commodity by 32 percent, resulting in an oversupply of Chinese cabbage. Vegetable bases at the second and third lines have developed even more quickly: Vegetables grown by Henan and Anhui in areas out of the two provinces have rapidly increased; the vegetable supply bases for the north in Fujian, Guangdong, Sichuan and Yunnan have been characterized by a continuous upward development. The vegetable growing areas in Maoming and Zhangjiang Cities have reached 600,000 mu, with the volume of commodity topping 600 million kg. This level has far exceeded the northward transportation capacity, and if there is no prompt adjustment, supply will inevitably exceed demand, which will result in "there being a difficult time selling vegetables" or incidents where vegetables are left rotting.

To resolve the problems of blind vegetable production, "vegetable gardens" must be regulated", and serious efforts must be made in implementing the policy of "taking the suburbs as the center, with areas beyond the suburbs playing a supplementary role; and supply must be guaranteed with regulation and transfers from areas outside of the region." Bases at the second and third lines must be subject to unified regulation and rational distribution, must practise the principles of giving full play to local superiority, relieving shortages and reversing the weak trend, pegging production to sale volumes, serving the urban areas, and enriching the peasants. Under the present situation where there is multi-layer pattern in vegetable production, and vegetable commodities are circulating nationwide, there must be an integrated equilibrium and careful work on

the five great bases in the country. Coordinated arrangement must be provided for bases on the first, second and third lines. For the third line bases, in particular, production must be arranged according to demand and transportation capacity, and a stable production-sale relationship must be established over time, taking into consideration climactic conditions, areas and items of production based on planting technology, and time for sales.

The lively but disorderly state in the circulation realm has resulted from the breaking down of monopolistic operations while a new circulation order is yet to emerge. The current major problem is an absence of normal circulation channels and networks. There are now thousands of procurement personnel, adopting a wait-and-see attitude when there is abundant supply of vegetables, and seizing and selling them at raised prices when there is little. This situation is particularly serious in second and third line bases. Zhanjiang City, the first city with bases transporting vegetables grown in the south to the north, has over 100 vegetable households. Some of these households have engaged in speculation and bullied their fellow households; some have pegged vegetable prices at high levels, while some sell at artificially low prices or undervalue vegetable quality and damaged producers' interests; some interfere with the normal circulation in the vegetable commodity market, and harm the interests of operators and consumers. On the other hand, since state-run commercial units were decontrolled, especially since the operation responsibility system was adopted,

some operation units have sent their own procurement teams to the market to secure supply sources, swelling the number of procurement personnel and increasing the outlay. The result has been repetition and commodity backlogs.

To resolve the lively but disorderly vegetable commodity circulation realm, especially the confusing state in the wholesale areas, "vegetable stands" must be overhauled. The key here lies in the serious implementation of the central authorities' decision on further improving, rectifying and deepening reform; in giving the vegetable operation departments of state-run units and supply and marketing cooperatives a major role in channeling vegetables; and fostering the concept that only through putting state-run operation departments on a solid basis can the vegetable market supply be stabilized.

Meanwhile, the beneficial and necessary supplementary role of individual operators in circulation of vegetables must be fully encouraged, while their negative roles discouraged. Efforts must be made in strengthening market management. Vegetable vendors engaged in wholesale business without a permit must be resolutely banned, and even the operations of vegetable vendors with permits must be limited. They should not be allowed to make a fortune by speculation. Illegal acts such as bullying the fellow vegetable households and taking over the market, price hikes and mixing in vegetables of inferior quality, must be crushed in a harsh manner.

East Region

Fujian Planning Conference Stresses Agriculture

OW1601201090 Fuzhou Fujian Provincial Service
in Mandarin 1100 GMT 11 Jan 90

[Text] A provincial conference on planning pointed out: The province will concentrate on agricultural production this year to ensure a steady increase in the output of grain and other major produce. The province plans to plant 30.56 million mu of grain this year. It plans to produce more than 9 million metric tons of grain, 200,000 metric tons of oil-bearing crops, and 1.15 million metric tons of aquatic products. It also plans to afforest 5 million mu of land.

The provincial conference pointed out: The key to realizing this goal is to implement the various policy measures on strengthening agriculture that the central authorities and the provincial party committee at its enlarged session adopted. These measures call for serious efforts to strengthen leadership over agriculture and to increase agricultural investment. From now on, the provincial and local governments at all levels will allocate 10 percent of the increased portion of their revenues for use in agricultural development. Efforts should be made to attract foreign capital to transform our traditional agricultural undertakings. Efforts should also be made to explore new revenue sources to support agriculture. More after-tax profits retained by the village and town enterprises will be allocated to support agricultural development. Active efforts will be made to guide the peasants to increase savings and to ensure that earnings from 20 work-days of labor of each peasant will be devoted to building the agricultural infrastructure. Material input in agricultural production should be increased. Priority should be given to agricultural production in the allocation of funds, energy, raw and semifinished materials used in the production of chemical fertilizers, pesticides, plastic sheets, and farm machinery. Efforts should be made to popularize agricultural technology. This year, emphasis should be placed on popularizing cultivation and fertilizer application techniques, which have proven effective in increasing the farm output. Efforts should be made to carry out agricultural infrastructural construction. The province plans to take comprehensive measures to transform 4 million mu of low-yield and average-yield farmland this winter and spring, restore irrigation in 1 million mu of land, and open up 250,000 mu of new land for irrigation.

Jiangsu Governor, Vice Governor Speak on Census

OW1601004290 Nanjing Jiangsu Provincial Service
in Mandarin 1400 GMT 9 Jan 90

[Text] The fourth census meeting took place in Nanjing today. Jiangsu Governor Chen Huanyou and Vice Governor Gao Dezheng addressed the meeting.

Vice Governor Gao Dezheng began his speech by conveying the guidelines of the fourth national census

meeting. He said: The fourth national census is an important survey of China's situation and its strength in the 1990's. The information collected from the census will serve as an important basis for the formulation of all development plans. We should regard the upcoming census as the biggest peacetime social mobilization and mobilize as many people in society as possible to participate in the project.

Comrade Gao Dezheng fully endorsed the preparations that have been made in Jiangsu. Leading groups in charge of the census have been set up in all cities, counties, and districts in the province. The provincial government has finished drawing up plans for carrying out pilot projects in selected areas. Preparations for encoding and processing information are proceeding normally.

The vice governor stressed that from now until 1 July is the busiest period, because large amounts of census information will be recorded. He said that relevant departments throughout Jiangsu must ensure that the following projects are properly accomplished:

1. Setting up census organizations in all townships and villages in Jiangsu, and having all census takers assume their posts by the end of February;
2. Educating people throughout Jiangsu about the census;
3. Properly carrying out pilot projects in selected cities;
4. Completing the sorting out of residential records;
5. Properly selecting and training census takers and encoders; and
6. Making sure that the budget needed for the census is readily available and that the construction of buildings to house computer facilities is completed.

In his speech, Governor Chen Huanyou said: I have often been asked by foreign friends in recent years what problems I find the toughest. Each time I would readily answer them that the large population in a small province is my toughest problem. Thus, having a clear idea of Jiangsu's population is essential for achieving the strategic goals of Jiangsu's economic development.

Comrade Chen Huanyou urged all government authorities to provide stronger leadership over the census and ensure that population registration will be accomplished with flying colors.

Jiang Chunyun Visits Shandong Oilfield

SK1701024390 Jinan Shandong Provincial Service
in Mandarin 2300 GMT 8 Jan 90

[Text] While visiting workers and staff members of Shengli Oilfield recently, Jiang Chunyun, secretary of the provincial party committee, stressed that to realize political stability and vigorous economic development, it is necessary to wholeheartedly depend on the working class and energetically strengthen the worker-peasant alliance.

On 6 and 7 January, Jiang Chunyun, secretary of the provincial party committee, travelled to Shengli Oilfield

to visit workers on duty, and talked with some cadres and workers. Jiang Chunyun said: Wholeheartedly depending on the working class is a basic principle that our party has followed consistently. During the past few years, this principle has been rarified. Since the 4th Plenary Session of the 13th CPC Central Committee, Comrade Jiang Zemin again and again stressed the necessity of wholeheartedly serving the working class. This is a very important and urgent task. Only by wholeheartedly depending on the working class will it be possible for our country to realize political stability and vigorous economic development.

Jiang Chunyun pointed out: After the introduction of the contract system among enterprises, the status of workers as the masters of their enterprises and the country should be further enhanced, far from being weakened and neglected. To successfully run socialist enterprises, we must depend on the working class, respect and protect the legitimate rights and interests of workers, and mobilize the initiative of the vast number of workers. Otherwise, we will fail in running socialist enterprises.

Jiang Chunyun stressed: As far as party organizations at all levels are concerned, they should wholeheartedly depend on the working class, continue to strengthen the education and cultivation of workers, organize the vast number of workers and staff members to earnestly study the basic theories of Marxism and Leninism, the Marxist philosophy in particular, and thoroughly solve workers' problems with regard to the world outlook and the outlook on life. They should also organize workers to assiduously study science and technology in an effort to improve their political and professional expertise, and should encourage the vast number of workers and staff members to struggle for the accomplishment of [words indistinct] tasks.

Jiang Chunyun said: To wholeheartedly depend on the working class, we should also genuinely and sincerely show concern for the interests of workers and staff members, and constantly improve workers' material and cultural lives on the prerequisite of developing production. This is the only way to enable workers to feel that only our party organizations can truly represent the interests of workers. This is also the only way for cadres and workers to establish a relationship as close as flesh and blood.

Jiang Chunyun pointed out: Strengthening the worker-peasant alliance is definitely stipulated by the Constitution. Ours is a country practicing the people's democratic dictatorship, which is led by the working class and based on the worker-peasant alliance. Consolidating and developing the worker-peasant alliance under the new situation constitutes the political foundation for the stability of our country. Only when the worker-peasant alliance is consolidated, can the leading role of the working class be brought into full play.

Jiang Chunyun pointed out: As far as party and government organs at the provincial, city, and county levels are

concerned, they should vigorously support the development and construction of Shengli Oilfield. This is an unshirkable duty [words indistinct]. When the oilfield develops well, it will in turn support the development of the localities. Therefore, the oilfield and the localities supplement and promote each other, and are interdependent.

Jiang Chunyun expressed hope that all fields at all levels in the province will extremely cherish and develop the achievements made in the worker-peasant alliance and that all people in the province will make concerted efforts to bravely march toward the magnificent goal of building socialism with Chinese characteristics and constantly win new victories in this regard.

On 8 July, Comrade Jiang Chunyun travelled to Zhanhua County to visit some cadres and masses working at grass-roots units in rural areas.

Shandong's Zhao Zhihao Detail 1990 Priorities

SK1801000790 Jinan Shandong Provincial Service
in Mandarin 2300 GMT 5 Jan 90

[Text] The provincial government held an enlarged plenary session on 5 January.

At the session, Governor Zhao Zhihao summed up the work done in 1989 and arranged the work tasks for this year.

Yu Peigao, secretary general of the provincial government, introduced the Anshan City Government office's experiences in improving work style, upgrading work efficiency, and immediately going into action to handle affairs.

After summing up and reviewing the work done over the past year, Governor Zhao Zhihao said: The year 1989 was an extraordinary year. Broad masses of cadres and people across the province worked hard, eliminated difficulties, and consolidated and developed the political situation—characterized by stability and unity—and ensured stable development in the economy and all social undertakings.

Zhao Zhihao said that work priorities for 1990 are as follows: First, we should adhere to the four cardinal principles; oppose bourgeois liberalization; use Marxism to occupy the ideological, mass media, cultural, and educational fronts; try every possible means to stabilize the situation, society, and the people's feelings; and strive to create and maintain a fine social environment. Second, we should continuously reduce investment and consumption demands, readjust the economic structure, increase effective supply, straighten out distribution, and stabilize market prices. Third, we should further deepen reforms and expand the scale of opening the province to the outside world. Fourth, all trades and professions should firmly foster the idea of tightening their belts; extensively and deeply launch the campaign for increasing production, practicing economy, increasing

revenues, and reducing expenditures; and strive to achieve a success in this regard.

Zhao Zhihao concentrated on setting up requirements in regard to strengthening the government's ideological construction and workstyle improvement.

He stressed the need to strengthen theoretical study and upgrade the awareness of Marxist theory. He said: We should maintain our fine mental state and further strengthen the improvement of administrative honesty. It is necessary to vigorously advocate the practice of investigations and study. The masses set two major demands on the government. The first is administrative honesty and the second is diligence. Thus, personnel of provincial-level departments and units should go out of their offices and go deep into the grass roots and the masses to hear their voice and help them solve their practical problems. Meanwhile, we should conscientiously study the Anshan City Government office's experiences in immediately going into action to handle affairs; and ensure doing work in a down-to-earth manner, steadily improving work efficiency and making satisfactory achievements.

Shandong Conference Forms 1990 Economic Plans

SK1701025190 Jinan Shandong Provincial Service in Mandarin 2300 GMT 10 Jan 90

[Excerpts] The provincial conference on planning, financial, and industrial and communications work, held in Jinan on 10 January, pointed out that this year, the general demand on the province's economic work is, based on the prerequisite of maintaining social stability, to positively promote the economic rectification and improvement as well as in-depth reform in an effort to bring out a stable economic development.

Vice Governors Ma Shizhong and Zhang Ruifeng attended the conference. Li Chunting made a report on making good arrangements for the 1990 plans and positively promoting the economic rectification and improvement as well as in-depth reform.

The conference pointed out: This year, the major targets of the province's plans are effecting a 7 percent increase in the the gross national product, a 6.5 percent increase in the national income, a 3 percent increase in the total agricultural output value, a 10 percent increase in the total industrial output value, and a 7 percent increase in financial revenues.

The conference stressed: To attain the targets set by the province's plans on the national economic and social development in 1990, the entire party and all the people should be mobilized to run agriculture well. This year, agricultural production should still be focused on ensuring an increased output in grain, cotton, and edible oil. In other words, we are required to effect an increase over the past year in the output of all grain, cotton, peanuts, meat, eggs, milk, aquatic products, vegetable, and fruits. In addition, we should continuously increase

investment in agriculture and make every effort to develop farmland capital construction aiming at water conservancy projects. We should energetically promote the comprehensive development of agriculture, accelerate scientific and technological progress in agriculture, and achieve a success in invigorating agriculture through science and technology. We should vigorously support the development of the agriculture-oriented industry; and give priority to the supply of raw materials, energy resources, and funds to those enterprises that produce chemical fertilizer, pesticide, and plastic film for agricultural use. At the same time, we should actually protect cultivated land.

The conference pointed out: We should make great efforts to maintain a stable growth in industrial and communications production. By focusing industrial production on a readjustment of product mix, we should vigorously develop the production of energy resources, scarce raw materials, scarce agriculture- and export-oriented products, and readily marketable consumer goods; and should curb and restrict the production of the general processing industrial products, such as primary cotton yarn, primary plastics, small tractors, beverage wine, ordinary machine tool, and primary cement, as well as the production of slow-selling and overstocked products. We should give full play to the key role of large and medium-sized enterprises and give special treatment to enterprises engaged in the supply of materials, funds, foreign exchange, water, electricity, and transportation. We should vigorously promote technological progress among enterprises; and should concentrate our efforts on grasping the three province-defined projects of developing 10 major product series, popularizing 10 new technologies, and organizing joint research for tackling 10 technological problems. By dealing with different cases in different ways and giving different guidance based on different situations, we should give positive guidance to the healthy development of town and township enterprises. [passage omitted]

The conference stressed: To attain the targets set by the 1990 plans, we should exercise strict control over the scale of investment in fixed assets, readjust investment structure, and concentrate efforts on ensuring the construction of key projects. We should open ourselves still wider to the outside world, and resolutely break with the stagnation in foreign trade, export, and foreign exchange revenues in order to ensure the fulfillment of this year's export target. We should exercise strict control over commodity prices, stabilize markets, and make proper arrangements for people's daily lives. The provincial government will assign the price control targets to various cities and prefectures, and the performance in fulfilling the targets will be regarded as one of the major standards for assessing the performances of various city and prefectural governments. Sugar, matches, washing powder, cotton cloth, salt, and 6 other commodities will be subject to mandatory planning; and meat, eggs, cabbage, and 10 other commodities will be subject to key supervision and control. Resolute efforts should be made

to stabilize the selling prices of chemical fertilizer and diesel oil covered by the three link-up policy concerning the prices of means of agricultural production. At the same time, we should strengthen the price discipline and exercise strict control over price hikes. [passage omitted]

Shanghai Outlines Economic Restructuring Plan

OW1501020390 Beijing XINHUA Domestic Service
in Chinese 0537 GMT 13 Jan 90

[By reporter Wu Fumin (0702 1788 3046)]

[Text] Shanghai, 13 Jan (XINHUA)—The development of Shanghai's economic activities shows that improving the economic environment and rectifying the economic order are not indications that the reform has stopped; still less do they mean a retrogression in the reform. At the beginning of the new year, measures for improving the economic environment, rectifying the economic order, and deepening the reform are being implemented in Shanghai in a harmonious and steady way. The objective is to work toward the general goal of achieving sustained, stable, and balanced development of the national economy. The purpose is to further the benefits, eliminate drawbacks, and put the municipality's economic activities in a more orderly state.

At the crossroads of transition from the 1980's to the 1990's, the Shanghai Municipal CPC Committee and government have issued an "announcement to reassure the people." The announcement says that the current reform measures, including the factory director responsibility system, contracted management of enterprises, foreign trade contracts, and the financial responsibility system for districts and counties, will continue to be firmly implemented in 1990. These measures will be further improved in the course of implementation. Ongoing experimental reforms will also be continued. These include the experimental practice of giving a free hand to the operations of 18 enterprises, implementing both the tax system and the system for enterprises to hand profits to the government, repaying loans after tax payment, contracting work after paying taxes, reforming the shareholding system, and dividing the ownership of assets in collective enterprises. The stability and continuity of the policies have created a harmonious atmosphere and also produced a psychological effect. People are now aware that as the work of improving the economic environment and rectifying the economic order has entered the stage of tackling the hardest problems, the reform is continuing in a vigorous way, and that improvement, rectification, and reform have the same goals and that their results are complementary to one another.

In 1990, Shanghai will promote its economic restructuring in eight ways. About one-half of the steps taken to deepen the reform are also measures for improving the economic environment and rectifying the economic order. These are measures to strengthen macroeconomic management; to rectify the order and intensify the reform of the commodity circulation system; to strictly

control the excessive growth of consumption funds so as to alleviate the unfair distribution in society and to adjust the few unreasonable cases of high income; and to expedite the establishment of unemployment insurance and old-age insurance.

The Shanghai municipal government believes that the present economic difficulties have resulted from problems that have accumulated in the past, and that success in solving these difficulties requires comprehensive efforts. When introducing measures for economic improvement, rectification, and reform, it is imperative to carefully weigh their advantages and disadvantages so as to achieve an overall balance. We should have a positive attitude but should not act hastily. Because of this, the municipal government has taken the strengthening and improvement of macroeconomic management as a major task in deepening the reform and as a sure guarantee for attaining the target of economic improvement and rectification. Accordingly, Shanghai Municipality has decided to establish a "comprehensive economic department," which will be formed jointly by the Planning Commission and the departments in charge of finances, banking, prices, and labor. The work of this new department is to strengthen total quantitative control under the present circumstances, marked by the multichanneled and pluralistic sources of financial resources, capital funds, foreign exchange, and materials. It will appropriately reinforce the centralized and unified management through various regulatory measures, including economic, legal, and administrative measures. Shanghai has also decided to restore and establish the "Labor Wage Committee" and the "Urban Management Committee," which will each coordinate the work and exercise control over wages, bonuses, and subsidies and the tasks of urban planning, construction, and management in the whole municipality.

Shanghai has taken enterprise reform as a major part of the work of deepening the reform this year. Shanghai aims at increasing the capability of enterprises to surmount the difficulties at the stage when the hardest problems should be tackled in improving the economic environment and in rectifying the economic order. Last year, 68 enterprises in the municipality chose their managers through competitive bidding. This enabled them to produce better economic results in their operations. This year, further efforts should be made to stabilize and improve the contract responsibility system for the management of enterprises. Public bidding for management of enterprises should be practiced mainly in those cases where enterprises are poorly managed, cannot fulfill the contracts they have signed, or have vacancies or are going to have vacancies for managers. Last year the textile industry in Shanghai introduced a "double contract" responsibility system covering both production and trade, resulting in foreign exchange earnings of \$1.1 billion, or an 10 percent rise above the preceding year. The same system should be adopted by other industries this year; that is, factories should sign contracts for meeting the basic targets of foreign

exchange earned and contributed to the state, while foreign trade companies should serve as export agents of the factories on a contractual basis. In this way, both the factories and foreign trade companies can share the task of exporting. In improving the mechanism of internal management last year, Shanghai industrial enterprises did much work. Of the municipality's 769 large and medium enterprises, 443 reached the level of National Grade B and the level of municipal advanced enterprises; 16 passed National Grade A test and evaluation; 58 percent adopted the fund control meeting system; and 14 percent established "banks inside the plant." This year, Shanghai calls for enterprises to integrate the deepening of reform with the strengthening of management so as to produce greater economic results by improving management and to fully tap the potential for production.

To readjust the organizational structure of industrial enterprises in a guided way and with certain aspects emphasized is of twofold significance: the significance of improving the economic environment and rectifying the economic order and the significance of carrying out in-depth reform. Last year, 60 enterprises in Shanghai were merged or switched to other lines of production, thus promoting the rational composition of production elements. This year, we must follow the principle of "merging and switching more to other lines of production and closing down a few" and readjust the industrial structure. We must organize and establish export-oriented enterprise groups on a certain economic scale in 17 industries, including clocks and watches, bicycles, chlorine-alkali, tires, umbrella manufacturing, wire and cable, textiles, and decorating industries. Shanghai has decided that this year it will limit the production of industrial products to 108 varieties or eliminate through selection varieties to this level, thus reducing total industrial output value by 8 percent. In addition, Shanghai has planned to produce 100 new products whose output value will be over 5 million yuan. The output value of this year's new products can constitute 12 to 14 percent of the municipality's total industrial output value.

The theoretical research of deepening reform is also in full swing in Shanghai. On the one hand, theoretical workers should study many urgent practical questions facing us in reform, opening to the outside, and development so as to draw up an optimum plan to serve the policy decisions made after the 1992 enterprise contracted responsibility system. On the other hand, they should further study the circulation mechanism of socialist commodity economy, so that the goal of reform will become gradually concrete and attainable.

Central-South Region

Guangdong Emphasizes Struggle Against Seven Vices

HK1401064090 Guangzhou Guangdong Provincial Service in Mandarin 1000 GMT 11 Jan 90

[Excerpts] (Chao Zidong), deputy director of the provincial public security department, pointed out today at a

press conference that the struggle for eliminating the seven vices in the province has made apparent achievements; he stressed that the struggle must be continued. He said: Since last November, when the struggle for eliminating the seven vices was launched, until 10 January this year, the province cracked down on 49,000 people who had committed the seven vices and thus had violated the law. [passage omitted]

Deputy Director (Chao Zidong) pointed out that the struggle for eliminating the seven vices is a long-term task, and that we should make more efforts in advancing the struggle on the basis of the initial victory. [passage omitted]

Guangdong Official Discusses Illegal Commodities

HK1501074190 Guangzhou Guangdong Provincial Service in Mandarin 0400 GMT 12 Jan 90

[Excerpts] It has been over a month since Guangdong began the campaign to screen and ban false and illegal commodities. Now, the overall campaign has entered a higher and crucial stage. The following is a recorded interview conducted by our reporters with Liu Weiming, vice governor of Guangdong with special responsibilities for the campaign to screen and ban false and illegal commodities. [passage omitted]

During the interview, Vice Governor Liu Weiming said: "Since the campaign screen and ban false and illegal commodities was officially begun in Guangdong, the people's governments and the party and government leaders in various cities and counties of Guangdong have attached great importance to the campaign. They have also set up a number of specialized institutions to supervise the campaign. As a result, the campaign has now achieved some gratifying results. The broad masses of the people in Guangdong have also given their warm support to the campaign. The propaganda departments at all levels have also done much propaganda work in connection with the campaign among the broad masses of the people. Now the climate for screening and banning false and illegal commodities has been formed in Guangdong. [passage omitted]

Vice Governor Liu Weiming added: "The Guangdong Provincial People's Government has recently decided to dispatch seven work groups to various cities and counties to push ahead with the campaign screen and ban false and illegal commodities. I will personally lead a work group to Shantou City to supervise the campaign. The work groups dispatched by the Guangdong Provincial People's Government will mainly concentrate their efforts on investigating and cracking major and serious cases and will severely punish those companies and people involved in these cases. [passage omitted]

Guangxi Holds Financial Work Conference

HK1501082890 Nanning Guangxi Regional Service
in Mandarin 1100 GMT 12 Jan 90

[Excerpts] The Guangxi Regional Conference on Financial Work was held in Nanning yesterday.

The main tasks stated at the conference are: 1) To implement the spirit of the 5th Plenary Session of the 13th CPC Central Committee and the spirit of the National Conference on Financial Work; 2) to study the ways and means aimed at improving the regional financial environment and rectifying the regional financial order; 3) to finalize the regional financial budget for the year 1990; 4) to make arrangements for the regional financial work in 1990; and 5) to commend the advanced collectives and individuals involved in the regional financial work.

Cheng Kejie and Zhao Weichen, vice chairmen of the Guangxi Zhuang Autonomous Regional People's Government, each delivered speeches at yesterday's conference.

At the conference, (Wei Dinghuan), director of the Guangxi Regional Financial Department, relayed the spirit of the National Conference on Financial Work. (He Bin), chairman of the Guangxi Regional Economic Commission, briefed the participants on the regional industrial production development. [passage omitted]

In his speech, Vice Chairman Cheng Kejie listed the major problems facing Guangxi's industrial production development as the following: 1) The weak market; 2) the serious drought; and 3) fund shortage. [passage omitted]

Vice Chairman Cheng Kejie stressed that in order to overcome all these problems, Guangxi should step up its efforts in the following aspects: 1) to unify the ideology of all the cadres and the broad masses of the people according to the spirit of the 5th Plenary Session of the 13th CPC Central Committee, adhere to the ideological line of seeking truth from facts, and conscientiously implement the principle of improving the economic environment, rectifying the economic order, and deepening the reform; 2) to live an austere life, carry out education on waging hard struggle and building up the country through thrift and hard work in breadth and depth, carry out the socialist emulation drive with stress on "double increase, double economy" in breadth and depth, and strengthen the enforcement of financial disciplines; 3) to readjust the existing regional distribution policies and properly provide funds; 4) to give full scope to the role played by the regional finance in stimulating the regional economic development in the hope of increasing Guangxi's effective social supply. [passage omitted]

Guangxi's Chen Huiyang Attends Award Meeting

HK1801014390 Nanning Guangxi Regional Service
in Mandarin 1100 GMT 17 Jan 90

[Excerpts] The 1989 Guangxi award presenting meeting for scientific and technological achievements was held in Nanning this morning. The meeting was to commend and reward scientific and technological personnel who had made contributions toward the scientific and technological progress, and economic development, of the region.

A total of 143 projects received awards this time. Of these award-winning projects, 115 received Scientific and Technological Progress Awards and 28 received Sparking Awards. In addition, 131 scientific and technological personnel who had made contributions to the scientific and technological development of Guangxi were commended during the meeting.

The award presenting meeting was presided over by regional people's government acting Chairman Cheng Kejie. Regional party committee Secretary Chen Huiguang attended and addressed the meeting. [Passage omitted]

Chen Huiguang urged party and government leading comrades at all levels to have a deeper understanding of the importance and role of science and technology in economic development, place scientific and technological development on the important agenda, take effective measures, strengthen leadership, and organize all sectors concerned to work together in support of scientific and technological development.

Regional party committee Deputy Secretary Tao Aiyang and member of the Central Advisory Commission Qin Yingji, who were also present at the meeting, presented awards to the winner.

Hunan's Chen Urges Reinforcing Armed Police

HK1701104290 Changsha Hunan Provincial Service
in Mandarin 2300 GMT 13 Jan 90

[Text] Provincial party, government and military leaders Chen Bangzhu, Jiang Jinliu, Dong Zhiwen, and (Wen Guoqing) yesterday addressed the representatives attending the enlarged meeting of the Provincial People's Armed Police Corps Party Committee.

Chen Bangzhu and Dong Zhiwen emphasized at the meeting that political work should be vigorously strengthened in Armed Police units so that all officers and men will always adhere to political standards, maintain sharp vigilance, and wage resolute struggle against all hostile forces. On behalf of the provincial party committee and government, Governor Chen Bangzhu first extended best regards to officers and men of Armed Police units of the province and then paid high tribute to contributions they made in checking the riots that broke out in 1989. He commended them for stabilizing Hunan's political situation and for proving be loyal to

the party and people. They went through all trials and had very high combat effectiveness. He also pointed out that the tasks that Armed Police units are charged with are very heavy, so it is necessary to energetically strengthen political building of the units, raise their fighting capacity in an all-round way, highly maintain their stability, and ensure that they will always be up to political standards.

The meeting was held in Changsha on 11 January and mainly conveyed and implemented the spirit of the enlarged meeting of the Central Military Commission, the political work conference of the whole Army, and the enlarged meeting of the Chinese People's Armed Police Force Headquarters Party Committee, and also reviewed the work of 1989 and assigned tasks for 1990.

Hunan Leaders Help Enterprises Solve Difficulties

HK1701104490 Changsha Hunan Provincial Service
in Mandarin 2300 GMT 13 Jan 90

[Excerpts] Party and government leaders at different levels of our province consider their effort to help stabilize enterprises that have suspended or partly suspended production as a task of top priority in stabilizing the overall situation. They have gone to those enterprises to hold group consultations and have taken effective measures to help them solve difficulties.

Before New Year's Day, provincial party committee Secretary Xiong Qingquan, Deputy Secretary Sun Wensheng, and other leaders went down to the Provincial Textile Department, the Hunan Silk Cloth Factory, and the Changsha Woolen Mill. They conducted investigations and offered advice to textile industries and enterprises of our province that had found themselves in a tight corner. During their visit to these enterprises, they helped them solve some urgent problems, such as a shortage of funds and raw materials. Governor Chen Bangzhu, also deputy secretary of provincial party committee, visited more than 10 enterprises, including the construction site of the (Wuqiang) Power Transmission Station and the Lianghe Iron and Steel Works, to help them solve their problems. [passage omitted]

Meanwhile, many local authorities of the province also sent a certain number of cadres with experience in economic work to some enterprises that were operating under capacity to help them avoid errors in decision-making and management. For example, Zhuzhou City sent over 500 cadres with experience in economic work to enterprises that had stopped or partially stopped production to help them readjust the product mix, motivate their internal vigor, and make proper arrangements for production and workers' life. [passage omitted]

According to a survey conducted recently by the pertinent provincial departments in five prefectures and cities, such as Changde and Chenzhou, proper arrangements were made for workers and staff members in all enterprises that had suspended or partly suspended

production, and a certain number of enterprises in a depressed state that were improving and whose production has returned to normal.

Henan Meeting Discusses Economic Planning

HK1601030590 Zhengzhou Henan Provincial Service
in Mandarin 2300 GMT 12 Jan 90

[Excerpt] The 8-day Henan Provincial Conference on Planning and Economic Work was convened in Zhengzhou on 11 January.

Yesterday morning, Hu Xiaoyun, vice governor of Henan Province, delivered a report entitled "Conscientiously Implement the Principle of Further Improving the Economic Environment, Rectifying the Economic Order, and Deepening the Reform and Make Good Arrangements for This Year's Economic Work" at the conference.

At yesterday's conference, Liu Yuan, vice governor of Henan Province, also relayed the spirit of the recently concluded National Conference on Economic Structural Reform.

In his report, Comrade Hu Xiaoyun pointed out that the main tasks of Henan's planning work and macroeconomic regulation and control work in 1990 are: 1) To keep the increase rate of retail prices of social commodities at and below 15 percent; 2) to increase the provincial gross national product by 5 percent; 3) to increase the provincial aggregate agricultural output value by 3.5 percent and the provincial aggregate industrial output value by 7 percent, of which the industrial output value at and above township level is to be increased by 5 percent, and the industrial output value of township and town enterprises is to be increased by over 10 percent; 4) to increase the provincial financial revenue by 5 percent; 5) to keep the provincial natural population growth rate at and below 13 per thousand.

Comrade Hu Xiaoyun said that over the past year, the people of Henan have conscientiously implemented the spirit of the 5th Plenary Session of the 13th CPC Central Committee and adopted a series of policies and measures aimed at controlling social demand, readjusting structures, and increasing effective social supply. As a result, Henan's economy has maintained a sustained development. Henan has achieved gratifying results in improving its economic environment and rectifying its economic order.

Comrade Hu Xiaoyun stressed that the year 1990 is a year in which the campaign aimed at improving the economic environment, rectifying the economic order, and deepening the reform will enter a crucial stage. In the face of the current complex and arduous economic tasks, in order to plan Henan's financial and economic work well in 1990, Henan must continue to conscientiously implement the spirit of the 5th Plenary Session of the 13th CPC Central Committee and all the instructions issued by the Henan Provincial CPC Committee in this

regard. Henan must implement to the letter the principle of further improving the economic environment, rectifying the economic order, and deepening the reform; implement to the letter the state economic plan; give full play to the guiding ideology of "stability, encouragement, and development;" practically control social demand and readjust structures; make overall plans; take all factors into consideration; take into account both immediate and long-term interests; successfully realize a comprehensive balance; carry out macroeconomic regulation and control; attach strategic importance to the work of supporting agricultural development; strengthen and develop agricultural production in the course of the campaign aimed at improving the economic environment and rectifying the economic order; maintain an appropriate industrial growth rate; practically increase effective social supply; strictly control the increase rate of commodity prices; stabilize the market; and substantially improve the livelihood of the people.

Comrade Hu Xiaoyun said that to this end, all the cities and prefectures and all the appropriate departments in Henan must first of all unify ideology, take the interests of the whole into account, be ready to live an austere life for a few more years, and resolutely implement the retrenchment policy. [passage omitted]

Hunan Holds Foreign Affairs Work Conference

HK1701104890 Changsha Hunan Provincial Service in Mandarin 2300 GMT 13 Jan 90

[Text] A provincial meeting of directors of foreign affairs offices at different levels was held in Changsha from 11 to 13 January.

Governor Chen Bangzhu emphasized at the meeting that the foreign affairs work of our province should continue to adhere to the independent and peaceful foreign policy formed by the leadership of the party Central Committee. Cadres engaged in foreign affairs work should adhere to principles and make every effort to break sanctions against us by exploiting contradictions. In his speech, Chen Bangzhu, who is also deputy secretary of the provincial party committee, first affirmed the achievements that foreign affairs cadres of our province made in 1989 despite numerous difficulties. He then pointed out that foreign affairs work should keep to the orientation of socialism as well as the one-central-task and two-basic-points policy. We, he added, should display not only initiative but prudence in foreign affairs work. On solidifying the ranks of foreign affairs cadres, Chen Bangzhu pointed out: At present, special attention must be paid to raising their level of grasping policies, and their work style must express the noble aspirations of the Chinese people. In conclusion, Chen Bangzhu called on party committees and governments at different levels to understand well the importance of foreign affairs work, truly strengthen their leadership over it, and give more support to the work.

Provincial Foreign Affairs Office Director (You Bizhu) delivered a report on the world situation.

Hunan Official Sets Journalism Requirements

HK1601040390 Changsha Hunan Provincial Service in Mandarin 2300 GMT 11 Jan 90

[Excerpts] At a provincial discussion meeting on journalist work, which concluded on 10 January, Sun Wensheng, Hunan Provincial CPC Committee deputy secretary, raised four requirements on journalists of our province.

First, persisting in a correct political orientation. Sun Wensheng pointed out: Journalism has a distinct class character and a strong political nature. This requires all our journalists to persist in a firm and correct political orientation and to adhere to the principle of party spirit for journalism. Journalists must act faithfully as the eyes and ears and mouthpiece of the party, government, and people. Journalists of our party, he added, should cherish the firm communist conviction, keep to the stand of upholding the four cardinal principles, and be aware of serving the people with one heart and soul. In action, they should dare to encourage healthy trends and check unhealthy ones and dare to expose evil conduct and publicize good things. They should be bold and completely fair to persist in correct ways and advancement and give wide publicity to them. On the other hand, they should take a clear-cut stand in exposing the ugly and reactionary and striking heavy blows at them; and, in particular, they should never waver before the ideological trend of bourgeois liberalization, nor should they drift with the tide and give coverage from the angle of idealism, yielding to pressure from the wrong ideological trend. Meanwhile, to persist in a correct political orientation, it is necessary to correctly look upon the reform of journalism. The most important thing for reforming journalism is to resolve the issue of how journalism better serves socialism and the people. The purpose of reforming journalism must contribute to strengthening party leadership, and not to weakening or even casting off party leadership. At no time should we waver at this conviction.

Second, adhering to the ideological line of seeking truth from facts. As far as journalism is concerned, this is a principle of protecting the truthfulness of news reports. Sun Wensheng said: To protect the truthfulness of news reports, it is essential to go deep into the realities of life and conduct thorough investigation and study. The most practical realities of the day are to improve the economic environment, straighten out the economic order, deepen the reform, promote economic development, and stabilize the political situation of the country in accordance with the party's one-central-task and two-basic-points basic line and with the spirit of the 4th and 5th Plenary Sessions of the 13th CPC Central Committee. With a strong sense of responsibility and historical mission, every journalist should go to rural areas, factories, schools, and government organizations to size up the new situation and discover new problems; sum up and spread successful experience; and encourage and arouse the people to be the heart and soul of the party to

overcome difficulties and advance the cause of reform and socialism. [passage omitted]

Third, carrying forward the work style of arduous struggle. [passage omitted]

Fourth, strengthening party leadership over journalism. Sun Wensheng emphasized: Party committees at different levels should place journalism on the order of their work and truly intensify party leadership and management over journalism. In particular, party committees should give prompt and instructive opinions to publicity and to major problems, and party committees and departments in charge should examine and check manuscripts relating to important events. Meanwhile, attention must be given to consolidating leading bodies of press departments and in helping them improve their work and raise their level of leadership and management. [passage omitted]

Southwest Region

Guizhou Conference on Conscription Work Concludes

HK1501141090 Guiyang Guizhou Provincial Service in Mandarin 2300 GMT 12 Jan 90

[Text] The Guizhou provincial conference on conscription work concluded in Guiyang yesterday.

The conference stressed that this year, redoubled efforts must be made to deepen the reform of the conscription work. The conference realized the legalization, institutionalization, and standardization of the conscription work.

The conference was attended by a number of provincial party, government, and military leaders, including Zheng Yuqin, vice governor of Guizhou Province.

At the conference, Vice Governor Zhang Yuqin emphatically pointed out that successfully carrying out the reform of the conscription work is an important link in the overall work aimed at heightening the national defense consciousness of the entire Chinese Nation. At present, efforts must be made to set off a new upsurge of national defense education in the whole society according to the spirit of the 5th Plenary Session of the 13th CPC Central Committee. This will form a general mood in the society in which people show more concern for the national defense cause, love the Army, and support Army building.

Vice Governor Zhang Yuqin said that during the Chinese New Year Festival period, all areas in Guizhou must conscientiously carry out activities aimed at supporting the Army and giving preferential treatment to families of revolutionary soldiers and martyrs, do things in a practical way, and solve problems for families of revolutionary soldiers and martyrs. All areas must attach greater importance to the work of re-settling families of revolutionary soldiers and martyrs; implement to the letter all the preferential policies toward families of

revolutionary soldiers and martyrs; do well the work of training and using qualified personnel capable of doing both military and civilian work; and help ex-servicemen solve problems in production and daily life so as to enable them to timely participate in production and embark on the road leading to prosperity.

Vice Governor Zhang Yuqin also demanded that all areas in Guizhou immediately take effective measures aimed at guaranteeing the quality of the conscription work, immediately begin making all the necessary preparations for the commencement of the conscription work, adhere to the system of collective appraisal of prospective raw recruits, and make every possible endeavor to ensure the good quality as well as the successful accomplishment of this year's conscription work.

Guizhou Planning, Financial Work Conference Ends

HK1701060590 Guiyang Guizhou Provincial Service in Mandarin 2300 GMT 13 Jan 90

[Text] A provincial conference on planning and financial work concluded in Guiyang yesterday [13 January]. The conference discussed the task of improving the financial work, using the following as its basis: the resolution of the third plenary session of the sixth provincial party committee, the spirit of the national conference on financial work, and the actual financial revenue and expenditure situation of our province in 1989. Using this basis, the conference stated the main tasks of our province's financial work for the year, which are the following:

It is necessary to resolutely implement the central policy of curtailment, to maintain thorough and steady growth, to control the scale of expenditure, to further readjust the structure of expenditure, to guarantee supply and the needs in supplying grain to places outside the province, to suitably increase funds for agricultural education and science and technology, to readjust the financial and tax order, to step up financial and tax management, and to ensure a balance between financial revenue and expenditure.

The conference stressed that it is essential to suitably reduce administrative expenses and to emphasize the reduction or cancellation of the subsidies for all kinds of societies, associations, centers, and administrative companies; to intensively launch a double-increase and double-economy drive for enterprises; and to vehemently grasp enterprises' economic results. In financial and tax work, it is imperative to strengthen collection measures and to stop the phenomenon of tax evasion in the aspect of collection and control. All taxes must promptly be put in the treasury. The malpractice of reducing or remitting taxes ultra vires must be resolutely corrected and curbed. It is necessary to continuously investigate and collect the enterprises' arrears of taxes, to control the scale of financial investments in fixed assets, and to strive to help institutions earn income so as to lighten financial burdens.

Sichuan Conference Discusses Supervision Work

*HK1701095090 Chengdu Sichuan Provincial Service
in Mandarin 2300 GMT 13 Jan 90*

[Text] At the Sichuan Provincial Conference on Supervision Work, which was held on 12 January, (Chen Yingnan), director of the Sichuan Provincial Supervision Department, said that in 1989, the supervision organs at all levels in Sichuan carried out comprehensive activities aimed at promoting the building of a clean government. In the process, they made a number of important breakthroughs in the work of investigating and cracking major and serious cases of discipline and law violation.

Comrade (Chen Yingnan) said that over the past year, the supervision organs at all levels in Sichuan have improved their work of handling cases and launched a resolute struggle to eliminate corruption and build a clean government. The leaders of the supervision organs at all levels have also personally taken charge of the struggle by assuming specific responsibilities in the struggle, thus greatly improving the quality of the work of investigating and cracking major and serious cases. By the end of November, 1989, the supervision organs at all levels in Sichuan had investigated and cracked a total of 3,227 various types of cases of discipline and law violation; handled a total of 2,706 such cases; directly disciplined a total of 1,805 people; advised the appropriate departments to administratively discipline 504 people; advised the appropriate party organizations to discipline 280 party members and cadres in accordance with the party disciplines; turned a total of 167 people over to the judicial organs at all levels for punishment; and recovered a total of 46.02 million yuan for the state and the collectives.

In order to make the work of investigating and cracking cases of discipline and law violation stand the test of the history, the supervision organs at all levels in Sichuan have strictly abided by the rules and regulations issued by the Chinese Ministry of Supervision and the Sichuan Provincial Supervision Department. They have thus successfully, accurately, factually, and properly handled all types of cases in accordance with the law.

Moreover, the supervision organs at all levels in Sichuan have also helped a batch of cadres clarify their questions in the spirit of seeking truth from facts and have thereby protected a batch of cadres and brought into full play the role of the supervision organs at all levels.

Hu Jintao Commends Tibetan 'Antisplittists'

*OW1801015990 Beijing XINHUA in English
1547 GMT 17 Jan 90*

[Text] Lhasa, January 17 (XINHUA)—A grand mass rally was held here today to commend 92 advanced collectives and 323 individuals who performed well in the struggle to quell the several riots in Lhasa since September 27, 1987.

The people's government of Tibet Autonomous Region and the regional committee of the Communist Party of China (CPC) promulgated at the rally a decision which says the commendation is aimed at enhancing the morale of the masses and encouraging healthy trends to win further victory in the struggle against splittists.

When the representatives of the advanced collectives and the advanced individuals, with red flowers on their chests, went to the rostrum to accept certificates of merit and silk banners, the rally burst into prolonged and enthusiastic applause.

Hu Jintao, secretary of the CPC Tibet Autonomous Regional Committee, presided over the rally, which was attended by more than 1,000 people from all walks of life in Tibet.

Raidi, deputy secretary of the CPC Tibet Autonomous Region Committee, spoke at the rally.

He said that the several riots in Lhasa, capital of Tibet Autonomous Region, since September 27, 1987, were splittist activities hatched in a planned, organized and premeditated way by splittists both at home and abroad with support from foreign hostile forces.

He pointed out that these riots were essentially sabotaging the reunification of the motherland, opposing the Communist Party and subverting socialism.

He noted that these riots had caused many deaths and huge losses of state and the people's property. He added, they have disrupted the social order, the stable and united political situation, and the economic and social development stemming from the reform and opening to the outside world.

He pointed out that what the splittists did had seriously damaged the interests of the nation and gone against the will of the people of various nationalities in Tibet.

He stressed that the national laws brook none of the crimes of the splittists and all the people of the country, including the Tibetan people, were firmly opposed to them.

Raidi praised the Tibetan people, particularly the advanced collectives and individuals, for their good performance in the struggle against the splittists.

He warned that the splittists both at home and abroad would continue to try to realize the "independence of Tibet" by using the banner of bourgeois "democracy," "freedom" and "human rights" and thus the struggle against splittism would be complicated, arduous and will go on for a long time.

He said that it was necessary to stabilize the situation in Tibet and deepen the reform so as to achieve economic and cultural development in Tibet.

Four representatives of the advanced collectives and individuals also spoke at the rally. They gave a brief

introduction of their struggle against various splittists in the quelling of the riots and won enthusiastic applause from the audience.

Tibet CPC Holds Spring Festival Tea Party

*HK1901100790 Lhasa Tibet Regional Service
in Mandarin 1130 GMT 14 Jan 90*

[Excerpts] On the evening of 13 January, the general office of the regional party committee held a Spring Festival tea party for the rear-service personnel.

Full of zest, Comrade Hu Jintao, regional party committee secretary, who had just returned to Lhasa from Xigaze after investigation work, and Comrade Raidi, regional party committee deputy secretary, came to the meeting place and shook hands and had a cordial conversation with the participants. [passage omitted]

While affirming the achievements of the rear-service personnel, Comrade Raidi demanded that they all seriously study the documents of the 5th Plenary Session of the 13th CPC Central Committee and the important instructions of the central authorities on Tibet work; study the spirit of the 8th enlarged plenary session of the 3d regional party committee and Comrade Hu Jintao's important speech at the plenary session; and unify their thinking on the basis of the instructions of the central authorities and the spirit of the enlarged plenary session of the regional party committee.

The regional leading comrades' personal attendance at the tea party for the rear-service personnel deeply moved the rear-service personnel. In their speeches, the comrades declared that they would not fail to live up to the cordial concern and expectations of the leading comrades of the regional party committee and would do their work even better in the coming year.

Yunnan Armed Police Hold Political Meeting

*HK1601101090 Kunming Yunnan Provincial Service
in Mandarin 1100 GMT 12 Jan 90*

[Text] A national political work conference for border units of the People's Armed Police opened in Kunming on 11 January.

Provincial party and government leaders He Zhiqiang, Yin Jun, Luo Yuntong, and Li Guiying attended the meeting.

In the name of the provincial party committee and government, provincial party committee Deputy Secretary Yin Jun delivered a speech at the meeting. He pointed out that the meeting was convened after the checking of the riots and the quelling of the counterrevolutionary rebellion and at a time when the entire party and the people of the whole country are thoroughly carrying out the spirit of the 4th and 5th Plenary Session of the 13th CPC Central Committee. It is a very important meeting that will give great impetus to the tasks of strengthening ideological and political work in armed

police units, consolidating armed police units, and improving their combat effectiveness. Yin Jun pointed out: Border units of armed police fight on the forefront of border struggles, and they are charged with the heavy tasks of defending state security, maintaining stability along the border areas, cracking down on criminal activities, promoting the unity of all nationalities, and engaging in economic construction in the border areas. The work of armed police border units has a direct bearing on the stability of the whole country, the image of our country in the eyes of other countries, and the success or failure of reform and the opening up policy. For this reason, it is necessary to guarantee the high stability and centralized command of armed police border units. To guarantee the party's absolute leadership over the Army, it is essential to further strengthen ideological and political work and party building in troop units.

He added: Armed police border units have accumulated numerous experiences and practical methods in ideological and political work. It is hoped that they will do their ideological and political work even better following the meeting.

(Liu Dianyu), vice director of the Frontier Defense Bureau under the Ministry of Public Security, made a statement at the meeting too.

North Region

Beijing Passes Mass Media Supervision Rule

*OW1901165790 Beijing XINHUA in English
1624 GMT 19 Jan 90*

[Text] Beijing, January 19 (XINHUA)—A regulation to supervise the mass media in the city of Beijing was approved today by the Standing Committee of the municipal people's congress.

According to the regulation, books and magazines and audio and video products that violated the fundamental principles of the Constitution, were pornographic, superstitious, or contained other evils will be forbidden in the city.

The regulation also stipulates that without official approval organizations or individuals are not allowed to deal in the sales or wholesales of books, magazines, newspapers and audio and video products.

By the end of 1988 the city had 3,355 publishing houses, 3,760 distribution centers for books, newspapers and magazines, including 1,342 private bookstores and newsstands. It also had 834 shops or organizations engaged in manufacturing and distributing video and audio products.

Beijing Cuts Capital Construction Investment

*OW2301153990 Beijing XINHUA Domestic Service
in Chinese 0004 GMT 23 Jan 90*

[By reporter Li Li (2621 5461)]

[Text] Beijing, 23 Jan (XINHUA)—Beijing has halted the expansion of its capital construction projects through strenuous efforts.

According to participants in an urban construction conference in Beijing, the municipality in 1989 halted or slowed 549 projects, trimming 8.65 billion yuan in investments in fixed assets. The municipality also suspended or slowed the construction of 119 buildings and halls, reducing investments by another 3.73 billion yuan. Consequently, the municipality's investment in fixed assets last year totalled 11.4 billion yuan, down 18 percent from 1988. Newly launched projects covered 5.5 million square meters, down 39 percent from 1988.

The curtailment of capital construction projects ensured the construction of key projects. Smooth progress was made in the construction of projects related to the Asian Games in Beijing. Of the 31 contest venues covering 460,000 square meters, 27 with a combined area of 420,000 square meters were completed. Good progress also was made in the construction of athletic villages and other auxiliary projects connected with the Asian Games, as well as in some key state and municipal projects. Overall, the completion rate for projects was higher last year than in 1988. A total of 5.2 million square meters of residential houses were built, as were a number of hospitals, schools, and teachers' dormitories in the municipality's elementary, middle, and high schools. A large number of projects to strengthen the municipality's infrastructure, such as a seafront road and a maximum-capacity boiler at the No 1 Thermoelectric Power Plant, were completed swiftly and efficiently.

Inner Mongolia Financial Conference Ends

SK2201004390 Hohhot Inner Mongolia Regional Service in Mandarin 2300 GMT 15 Jan 90

[Text] The regional financial work conference ended on 14 January.

Liu Zuohui, vice chairman of the regional government, said in his summing-up speech: We should continue to persist in the principle of retrenching finance to ensure a balance between this year's revenue and expenditure and to further upgrade the region's level of being financially self-sufficient.

Regional leaders Zhang Hangong and Alatanaoqier attended the conference.

In regard to attending to this year's financial work, Liu Zuohui stressed the need to attend to the following few tasks.

First, we must persist in the balance between budgetary revenue and budgetary expenditure, fix expenditures according to revenue, and keep expenditures within the limits of revenue. Leagues and cities must not owe debts or suffer deficits again. The portion of extra-budgetary revenues should first be arranged for repaying debts and

increasing enterprises' floating funds. We must not recklessly set a precedent for increasing expenditures, but should strictly strengthen budget management.

Second, we should make overall plans and take all factors into consideration to ensure an increase in [words indistinct]. Personnel of administrative units and establishments should be guaranteed subsidies for wages and prices of grain and nonstaple food. We should also guarantee the living expenses of the staff and workers of some enterprises that stop their production and the arrangements for the livelihood of the people in disaster-stricken areas. It is necessary to [words indistinct]. Based on reducing the total expenditure, all localities should break base figures; readjust the expenditure structure; and appropriately increase expenses on agriculture, energy resources, transportation, raw materials, education, and science and technology.

Third, we should strive to develop production. Governments and tax and financial departments at various levels should attach primary importance to the development of production, try every possible means to give more support to enterprises, build up financial resources, and steadily help enterprises make progress. We should positively enliven the distribution of products to promote the development of production.

Fourth, we should strictly (?enforce financial and economic law and discipline), strengthen tax revenue work, and [words indistinct].

Fifth, we should further improve the contracted enterprise management system; appropriately handle the relationship between the state, enterprises, staff, and workers; and [words indistinct].

Sixth, based on developing grain production, we should increase the grain purchasing volume, try every possible means to reduce import volume and financial subsidies, and alleviate the situation of suffering losses from grain production.

Seventh, we should vigorously control and reduce administrative expenses, reduce the number of meetings, and [words indistinct].

Liu Zuohui urged that the comrades on the financial and tax fronts should make efforts to increase revenue and reduce expenditures so as to promote a steady progress of the economy.

Inner Mongolia Holds Agricultural Work Conference

SK2101103690 Hohhot Inner Mongolia Regional Service in Mandarin 2300 GMT 15 Jan 90

[Text] At the regional agricultural work conference, which was held on 15 January, Vice Chairman Alatanaoqier emphasized the need to enhance understanding of the fundamental position of agriculture, strive to achieve new growth in agriculture and the rural economy this year, and make contributions to the autonomous region to realize self-reliance in grain supply.

Alatanaoqier pointed out: The general tasks for and requirements on the region's agricultural production for 1990 are to ensure the acreage of sown areas, raise per-unit yields, increase output, see to it that grain production is increased steadily and the production of oil seeds and sugar is restored, and strive for a comprehensive increase in production. To attain these goals, all localities throughout the region should further deepen the rural reform and, while stabilizing the household output-related contract system, improve the dual management system that is based on family-based operation and that combines unified management with decentralized management, the multiform socialized service system with scientific and technological service as the major form, the investment system aiming at improving the management of agricultural funds and encouraging collectives and individuals to invest in agriculture, the circulation system focusing on improving the purchases of farm and animal products and the supply of the production funds, and the agricultural leadership system focusing on strengthening grass-roots organizations, so as to stabilize the various policies for rural and pastoral areas and the people's feelings. Focusing on the major aspects, all localities should step up efforts to solve the problems in the development of production that dampens the people's enthusiasm and push reform forward. We should persistently carry out large-scale farmland water conservancy capital construction and encourage the people to devote their labor and strive to fulfill more than 70 percent of the annual target in the golden period before the spring sowing. As far as water conservancy projects are concerned, we should pay close attention to the building of farmland shelterbelts, encourage the people to accumulate more farm manure and plant green manure crops to improve the soil, and develop farm mechanization to comprehensively raise the level of farmland capital construction. We should thoroughly implement the agricultural bumper harvest plan focusing on tackling difficult technical problems to increase yields. While implementing the plan, we should render further support for development of model scientific and technological households, and cultivate and designate a number of model scientific and technological villages, townships, banners, and counties. Deputy heads in charge of scientific and technological work of banners, counties, towns, and townships should be designated whenever conditions permit. A success should be achieved in comprehensive agricultural development and the construction of marketable grain production bases. This year, banners, counties, towns, and townships that are marketable grain production bases should strive to achieve new breakthroughs in strengthening the capital construction for agriculture, raising the scientific and technological as well as managerial levels, increasing the per-unit yields and output of grain, and improving the comprehensive economic results.

Alatanaoqier stressed: Governments at various levels and all departments concerned should sincerely render service to agriculture and solve the specific problems in agricultural development in a down-to-earth manner.

He urged: All localities should make sure that investment in agriculture is increased. Meanwhile, they should strengthen management of funds and, concerning the funds for various agricultural purposes, refrain from reducing them openly or covertly, or using them for other purposes. All the agricultural funds should be used in a properly unified manner to ensure key projects and economic benefits. We should use the funds mainly for the purpose of increasing grain output and, particularly, building farmland water conservancy projects to improve production conditions. All possible means should be adopted to improve the supply of capital goods for agricultural production. All departments concerned should make concerted efforts to ensure the supplies of such capital goods as chemical fertilizer, pesticides, plastic sheets, seeds, farm machines, and diesel oil. We should allow scientific and technological popularization departments to gain some profits. This year, we should put some of the chemical fertilizer and other capital goods that are needed in popularizing agriculturally-applicable technology under the management of the scientific and technological popularizing departments at and below the banner and county level so that these departments can coordinate their technology with these goods and can play a better role in scientific and technological experiments and demonstrations. We should conscientiously organize and send scientific and technical personnel to the countryside. Beginning this year, the autonomous region will set aside some funds for use in awarding and subsidizing the personnel and units meritorious in implementing the bumper harvest plan. We should permit scientific and technical personnel to gain a higher pay on the premise that they make practical contributions.

Party and government leaders of the autonomous region, including Qian Fenyong, Geriletu, Wen Jing, Hao Xius-han, Sha Tuo, Pei Yingwu, Liu Zuohui, and Baoyanbatu, attended the conference. Baoyintu, chairman of the regional agricultural committee, also attended.

Inner Mongolia Finalizes Agricultural Targets

SK2301050790 Hohhot Inner Mongolia Regional Service in Mandarin 1130 GMT 19 Jan 90

[Excerpt] On the morning of 19 January, on behalf of the regional government, the region's Vice Chairman Alatanaoqier signed the letters of responsibility for fulfilling the 1990 agricultural production targets with responsible comrades of 12 leagues and cities. The nine major agricultural targets arranged by the regional government this year are: Ensuring the total grain and soybean output at 7 billion kg, or striving to reach 7.5 billion kg; ensuring the number of large and small livestock at 47.5 million head by the end of June; afforesting 4 million mu of land; ensuring the total output value of town and township enterprises at 4.917 billion yuan; and ensuring a 50 yuan increase in the per-capita income of peasants and herders.

To ensure the fulfillment of these major agricultural targets, despite the limited local financial resources this

year, the region has decided to allocate 10 million yuan of additional funds specially for agricultural use and is striving to release 26 million yuan from the agriculture-aid working fund and spend this amount of money on developing grain production. This year, the supply of chemical fertilizers is ensured at 1.35 million standard tons, an increase of 150,000 standard tons over last year's. Meanwhile, the supply of plastic films for agricultural use is ensured at 45 million tons; that of pesticide, at 3,000 tons; and that of diesel oil, at 200,000 tons. [passage omitted]

Tianjin Economic Work Conference Concludes

SK1701042190 Tianjin City Service in Mandarin
2300 GMT 11 Jan 90

[Excerpts] The 4-day municipal economic work conference ended on the morning of 11 January. The conference arranged for the 1990 municipal plan for the national economic and social development as well as the plan on financial revenues and expenditures; and called on the vast number of cadres and masses on the economic front to summon up their spirit, meet difficulties head-on, fulfill all economic targets, and contribute to stabilizing the overall situation of Tianjin.

This was the first municipal conference held after New Year's Day. Nie Bichu, mayor of the municipality, and Zhang Lichang, executive vice mayor of the municipality, made speeches at the conference. Li Huifen, vice mayor of the municipality, and Han Enjia, adviser to the municipal government, attended the conference.

The conference definitely put forward the task of positively promoting the economic rectification and in-depth reform and maintaining an appropriate increase in the national economy on the prerequisite of maintaining the overall stability. In 1990, the municipality should continue to effect an increase in the total industrial output value over the past year, and, in line with the demand of readjusting product mix, strive to increase the output of raw materials, products aiding agriculture, products of high-technology, export-oriented products, and quality and durable consumer goods. In agriculture, we should adhere to the orientation of developing the suburban economy, stabilize the production of major foodstuffs, and strive to effect a new increase in grain and cotton output. In foreign trade and export, we should maintain or slightly surpass the level of last year, and we should continue to control the scale of the investment in fixed assets in line with unified planning in order to ensure the construction of key projects. This year, under the situation of meeting with relatively more factors of decreasing revenues and increasing expenditures and with a very great difficulty in striking a balance in the budget, the municipality will cut all expenditures by 5 percent from last year's budget, except for the expenses in science and technology, projects aiding agriculture, and education, which will increase by an appropriate scale so that it will be able to record an increase in financial revenues

over the past year. The total volume of retail sales should increase by an appropriate scale, and the price index of retail sales prices should continue to be slightly lower than the average national level. [passage omitted]

Comrade Zhang Lichang pointed out at the conference: A fundamental guiding ideology for this year's work is to focus all our work on maintaining stability. Economic stability is the foundation of political stability. Only when we maintain an appropriate increase in the economy will it be possible to ensure the various necessary expenditures; to stabilize the mood of workers, staff members, and the masses; and to stabilize the whole society. [passage omitted]

Northeast Region

Heilongjiang Province Holds Planning Conference

Development Targets Defined

SK1801012390 Harbin Heilongjiang Provincial Service
in Mandarin 1000 GMT 10 Jan 90

[Text] An implementation plan was worked out for developing the province through science and technology at the ongoing provincial planning, scientific and technological, and financial work conference. This plan defines the targets for our province's economic, technological, social, and ecological environments for the next 11 years in order to achieve the sustained, stable, and coordinated economic and social development of our province, to rationalize the economic structure, and to establish an operational mechanism under which scientific and technological progress is relied on and the planned economy is combined with market regulation.

The plan defines the short-range guiding principles as carrying out and facilitating the task of developing the province through science and technology, with the focus being to improve, rectify and deepen reform; and striving to blaze, amid difficulties, a road for organically combining the endeavor of improvement, rectification, and reform with development. The primary focus of the task to develop the province through science and technology is to develop agriculture through science and technology to strengthen the position of agriculture as the foundation of all industries. Its targets are: To raise per-unit yields of grain, which will be the major goal; to popularize in large areas existing advanced and applicable agricultural technology; to strive to increase the province's grain output to 18 billion kg by 1990, to 19 billion kg by 1991, and to 20 billion kg by 1992; to increase agricultural investment by 100 million yuan this year, and to increase it by 1 billion yuan in 5 years; to expand the total sown areas of the province to more than 130 million mu; to expand the scale of the project to develop high-yielding farmland mainly by means of group technological contracts, and to expand the acreage of high-yielding farmland developed under provincial-level technological contracts to 10 million mu this year; to strengthen capital construction for agriculture,

improve agricultural production conditions, continue the Heilong Cup emulation drive in farmland water conservation works and strive to increase paddy field acreage by 2 million mu, increase the acreage of the farmland resistant to waterlogging and drought by 7 million mu, and improve 1 million mu of land suffering soil depletion in the next 2 years; to accelerate the cultivation and wide application of fine seeds of crops; and to raise the level of farm mechanization, launch the Tieniu Cup emulation drive, and allocate 10 million yuan by the province every year beginning in 1990 to replace approximately 1,000 large tractors.

The second focus of the work to develop the province through science and technology is to continue the 383 project to ensure the supply of essential products, make markets thrive, and stabilize prices.

The third focus of the work to develop the province through science and technology is to rely on scientific and technological progress to comprehensively raise the level of industrial enterprises, tap existing production potential, reduce consumption, increase profits by all means possible, strive in the next 2 years to renovate on a priority basis 100 large and medium-sized key enterprises, master and apply 20 imported items of technology and equipment, popularize 100 items of new technology, and develop 1,000 new products every year. Money-losing enterprises should be diagnosed, and scientific research departments should be encouraged to cooperate with such enterprises to help them develop new products and improve technology and equipment. Enterprises unable to stop losing money should be closed down, merged, or have their production suspended or changed. The basic needs in the life of their staff members and workers should be guaranteed.

In carrying out the work to develop the province through science and technology, we should also adopt comprehensive measures to upgrade our ability for macroregulation and control; implement the policy of special emphasis on key projects in the supplies of funds and materials; launch—across the board—the campaign to increase production, practice economy, increase revenues and reduce expenditures; continue to improve the contingent of scientific and technical personnel; further arouse the enthusiasm of intellectuals; and ensure and promote—through legal means—the smooth progress of the work to develop the province through science and technology.

Conference Ends 14 Jan

SK1701023790 Harbin Heilongjiang Provincial Service
in Mandarin 2200 GMT 14 Jan 90

[Text] The 7-day provincial planning, scientific and technological, and financial work conference ended in Harbin on the afternoon of 14 January.

Governor Shao Qihui made a speech at the closing ceremony.

Governor Shao Qihui first talked about the issue of correctly understanding and grasping the trend of economic development, enthusiastically and cooperatively tiding over difficulties, and economically taking a turn for the better.

He pointed out: Under the current economic circumstances in which three basic contradictions, such as the imbalance of supply and demand, structural dislocation, and low economic results, have not been solved yet, a series of new problems have emerged. As a result, the strained economic situation becomes more complicated. Under such circumstances, some comrades study and ponder over the problems consciously or unconsciously with the concepts and habits that have taken shape due to the excessive demand and the overheated economy. As a result, they become disheartened. Such thinkings are extremely dangerous and harmful. We must note that the difficulties and problems ahead of us are temporary and can be eliminated, and that various influential factors are taking a turn for the better.

While touching on the issue of conducting economic rectification and improvement and in-depth reforms, and further implementing the policy of relying on science and technology to rejuvenate Heilongjiang, Governor Shao Qihui pointed out: The work of economic rectification and improvement and the work of relying on science and technology to rejuvenate Heilongjiang are not contradictory but complementary. In the course of improving the economic environment and rectifying the economic order, we must pioneer a way of seeking vitality under strained circumstances and steadily making progress. So, relying on scientific and technological progress is a good choice. Thus, in implementing the program for relying on science and technology to rejuvenate the province, all localities and departments should proceed from their realities to work out specific and [words indistinct] plans, and go all out to attend to the implementation of the program for relying on science and technology to rejuvenate the province.

The third issue talked about by Governor Shao Qihui was that governments should start with stabilizing the overall situation in order to carry out their work. Stabilizing the political situation is a prerequisite for stabilizing the overall situation, stabilizing the economic situation is the foundation for stabilizing the overall situation, and stabilizing society is a guarantee for stabilizing the situation. So, everyone should safeguard stability and unity and resolutely wage the struggle against the phenomena that are not conducive to maintaining stability and unity.

Jilin Holds Planning, Financial Conference

National Guidelines Relayed

SK1701030590 Changchun Jilin Provincial Service
in Mandarin 2200 GMT 11 Jan 90

[Text] The provincial planning and financial conference was held in Changchun on 11 January.

The major subjects discussed at the conference were to relay and implement the guidelines of the national planning and financial conference, to further implement the policies of economic rectification and improvement and in-depth reforms according to the requirements laid down at the 5th plenary session of the 13th party Central Committee and the 4th plenary session of the 5th provincial party committee, and to discuss and work out the 1990 provincial national economic and social development plan.

Present at the conference were Wang Zhongyu, Wang Yixia, Liu Xilin, Li Dezhu, and Wang Yunkun, leaders of the provincial government; and Chen Zhenkang and Gao Wen, leaders of the provincial people's congress and the provincial committee of the Chinese People's Political Consultative Conference. Also present at the conference were responsible comrades of provincial departments concerned, cities, prefectures, the autonomous prefecture, and some large and medium-sized enterprises.

The provincial planning conference and the provincial financial conference were convened at the same time.

The conference applied the methods of separation and combination to jointly discuss the 1990 provincial national economic and social development plan and the 1990 provincial budget.

Comrade Wang Yunkun delivered a report entitled "Conscientiously Implement the Policies of Economic Rectification and Improvement and In-depth Reforms and Strive to Realize the Sustained, Steady, And Harmonious Development of the Economy."

Comrade Wang Yunkun said in his report: In the past year, the localities and departments across the province conscientiously implemented the central authorities' policies of economic rectification and improvement and in-depth reforms. Through their positive and cooperative efforts, the province made noticeable headway in the work of improving the economic environment and rectifying the economic order. The major indicators were as follows: Despite the serious natural disasters, we still reaped better agricultural harvests. The comparatively high industrial growth rate, which continued for several years running, has dropped. Viewing the annual average growth rate and the current external conditions, we know that the industrial growth rate is reasonable. The scale of the investment in fixed assets has been brought under control. The plan for the construction of key projects was well fulfilled. The excessively rapid growth pace of consumption funds was decelerated. Both urban and rural markets were steady. The foreign export trade plan was overfulfilled ahead of schedule. The commodity prices are rising at a decreasingly lower rate. As a result, the masses are becoming less enthusiastic.

Wang Yunkun said: All this was preliminary achievement. We must neither underestimate nor overestimate it. We must notice that some deep-layered problems affecting the province's economic stability have not

fundamentally been resolved. The general ideologies for guiding the 1990 provincial plan are to comprehensively implement the guidelines of the 5th plenary session of the 13th party Central Committee and the 4th session of the 5th provincial party committee; to unswervingly implement the policies of further economic rectification and improvement and in-depth reforms; to promote the economic, political, and social stability; to continuously control demand and supply; to readjust the economic structure; to strengthen macroeconomic readjustment and control; to consolidate the economic order; to rely on scientific and technological progress to realistically shift the focus of economic work onto the sphere of increasing economic results; and to strive to realize a sustained, steady, and harmonious development of the economy.

Governor Speaks

SK1801023490 Changchun Jilin Provincial Service
in Mandarin 2200 GMT 15 Jan 90

[Excerpts] Wang Zhongyu, governor of the province, delivered a speech at the conclusion of the provincial planning conference on 15 January in which he pointed out that 1990 is the first year of this decade. He also pointed out that succeeding in economic tasks this year has a vital bearing on fulfilling the predetermined goal of improving the economic environment and rectifying economic order and the fighting goal of the nineties. He stated that at this crucial moment of inheriting the past and ushering in the future, we should further unswervingly implement the spirit of the 5th Plenary Session of the 13th CPC Central Committee and the 4th plenary session of the 5th provincial party committee, clearly discern the situation, unify our understanding, heighten our spirit, press forward in the face of difficulties, do a good job in carrying out various tasks in a down-to-earth manner, and begin efforts to make a good start this year.

The provincial planning conference was held simultaneously with the provincial financial work conference. Meanwhile, the province also sponsored a forum on commodity prices.

In line with the spirit of the national planning and financial work conference, the participants at the provincial planning conference, by bearing in mind the province's actual situation, formulated plans for the 1990 national economy and for financial revenues and expenses and discussed important policies and measures for fulfilling the goals set in the plans.

In his speech, Wang Zhongyu stated that in successfully carrying out the goals for economic work in 1990, efforts should be made to firmly help the idea of stabilizing the political situation to prevail over all others, to make overall arrangements, to act according to one's capability, to tighten one's belt, to take the whole situation into account, and to firmly foster ideas with the goal being to increase economic results. In order to fulfill the goals set in the annual plans, a good job should be done to emphatically grasp the following tasks:

1. Efforts should be made to mobilize or organize the forces of various social circles to support agriculture, to make it the first priority, and to concentrate their efforts on successfully conducting agricultural production. [passage omitted]

2. Efforts should be made to firmly and vigorously readjust the structure of industrial products as well as to upgrade the quality of products, to increase the variety of products, and to ensure the volume of effective supplies—in line with demands set by industrial policies—by meeting the needs of markets both at home and abroad, and by relying on scientific and technological progress so as to promote the stable development of all industries. [passage omitted]

3. Efforts should be made to actively expand sales of local products, to enhance control over plans and market regulation; and to do a good job in integrating production with marketing and expanding or promoting commodity sales through various channels.

4. Efforts should be made to further enhance the management of funds, to uphold the principle of utilizing domestic funds, and to enliven and utilize the potential of existing funds the central goal.

5. A good job should be done in carrying out financial work and adopting practically and feasible measures for increasing revenues and curtailing expenses. [passage omitted]

6. Efforts should be made to enhance control over commodity prices and to stabilize prices.

In his speech, Wang Zhongyu stressed that difficulties in economic work this year are large, and goals for fulfilling various plans are very arduous, so that it is imperative to enhance control over the work, to heighten one's spirit, and to strengthen one's confidence. Leading cadres in governments and departments at all levels should actively assume responsibility for the task, boldly engage in their work, try to remove difficulties by every means, and strive to create a turnaround in the economic situation as soon as possible. They should go deep into grass-roots units and the masses to further enhance ideological and political work, mobilize the masses, and rely on the masses, and they should show concern for the people's livelihood. Stabilizing the economy represents a big event which has a vital bearing on the whole situation. Either economic departments should do a good job in carrying out their work, or various departments, such as trade unions, Communist Youth League committees, and women's federations, should make concerted efforts to make their own contributions to stabilizing the economy.

Northwest Region

Gansu Secretary Attends Correspondents' Meeting

HK2201151690 Lanzhou Gansu Provincial Service
in Mandarin 1030 GMT 18 Jan 90

[Text] Provincial party committee Secretary Li Ziqi recently gathered information about the local situation in Gansu by talking to this radio broadcasting station's correspondents. He inquired about all prefectures, autonomous prefectures, and cities throughout the province. On the same occasion, he also set some specific requirements regarding the province's economic development this year. He gave guidelines for the relevant news coverage.

This radio station held in Lanzhou a meeting of correspondents from 4 to 10 January. Despite his intensive work schedule, Comrade Li Ziqi made a special appointment to call on correspondents during the meeting. He asked every correspondent's name and inquired of them about the areas where they were assigned.

With great interest he asked (Dong Shifeng), the station's correspondent to Qingyang: How is the snowfall in Qingyang prefecture this year? Comrade (Dong Shifeng) replied: It has snowed in good time! It is a very good omen indeed for the growing of winter wheat!

Some correspondents told Comrade Li Ziqi that last year witnessed a very gratifying development of agriculture and a real bumper harvest throughout the province. Comrade Li Ziqi said: Despite a good situation, we must keep cool-headed, be aware of existing problems, and make concerted efforts to keep the favorable trend develop. To do a good job this year, we must particularly carry on our propaganda to inspire people. We cannot inspire people without propaganda and the efforts of the press. In inspiring people we are to bring their initiative into full play, enable them to reach a common understanding, and push them to overcome difficulties and do a better job. Both newspapers and radio and television broadcast are very important. In a certain sense broadcasts can reach more people.

To conclude Comrade Li Ziqi said: We must maintain harmonious development in Gansu. Our province will have bright prospects so long as it can keep on developing steadily.

Qinghai Holds Planning, Finance Conference

HK1201024190 Xining Qinghai Provincial Service
in Mandarin 2300 GMT 10 Jan 90

[Excerpt] The 7-day Qinghai provincial conference on planning and financial work concluded yesterday.

The conference made arrangements for Qinghai's planning and financial work in 1990. Conference participants unanimously agreed that after more than a year's efforts, Qinghai has scored initial results in improving the economic environment and rectifying economic

order. Nevertheless, a number of in-depth problems still remain to be tackled step by step. Qinghai's main task in the future is to actively readjust the economic structure and increase economic results on the premise of compressing aggregate social demand.

Jin Jipeng, deputy secretary of the Qinghai Provincial CPC Committee and concurrently acting governor of Qinghai Province, made a concluding speech. Comrade Jin Jipeng said that 1990 is a year in which the campaign aimed at improving the economic environment, rectifying economic order, and deepening reform enters a crucial stage. Qinghai is therefore faced with more complicated and arduous tasks. Maintaining steady economic development and further pushing ahead with agricultural and animal husbandry production, especially grain and grass production, are of great significance to Qinghai Province, which has suffered grain shortages for years. In order to maintain steady development of Qinghai's industrial production and increase the effective supply, greater efforts must be made to increase economic results. To this end, all enterprises in Qinghai must redouble efforts to speed up readjustment and perfection of the product mix. [passage omitted]

Shaanxi Holds Planning Work Meeting

*HK1201041490 Xian Shaanxi Provincial Service
in Mandarin 0030 GMT 11 Jan 90*

[Text] The Shaanxi Provincial Planning Work Meeting was convened in Xian yesterday.

At the opening ceremony, (Li Wenyuan), chairman of the Shaanxi Provincial Planning Commission, delivered a report outlining planning work in the year 1990. In his report, Comrade (Li Wenyuan) said that the year 1990 is one in which the campaign aimed at improving the economic environment, rectifying the economic order, and deepening the reform will enter a crucial stage. The guiding ideology for planning work can be summed up into the following two points: 1) To further implement to the letter the spirit of the 5th Plenary Session of the 13th CPC Central Committee and the spirit of the 4th Enlarged Plenary Session of the 7th Shaanxi Provincial CPC Committee; 2) to cultivate the mentality of living an austere life, make overall arrangements and take all factors into consideration, stabilize the provincial economy and situation, and promote social stability while furthering the campaign aimed at improving the economic environment and rectifying the economic order.

All the arrangements for planning work in 1990 must give top priority to agricultural development. It must be aimed at steadily increasing grain, greatly developing cotton and oil crop production, and steadily developing a diversified economy as well as township and town enterprises. Industrial development must be aimed at readjusting the industrial structure and product mix, increasing economic results, and maintaining an appropriate development speed. In 1990, Shaanxi's capital construction must be aimed at strictly controlling the

investment scale, readjusting the investment structure, speeding up the construction of key projects, and increasing investment returns. In carrying out capital construction, it is necessary to adhere to the principle of not building new projects, hotels, hostels, auditoriums, and restaurants, and screening all the projects presently under construction. Financial work must be aimed at implementing the principle of tightening finance and tightening credit and loans, realizing the financial balance, and keeping credit and loan scales within the orbit of the state plan.

Provincial party and government leaders, including Hou Zongbin, deputy secretary of the Shaanxi Provincial CPC Committee and concurrently governor of Shaanxi Province; Xu Shanlin, vice governor of Shaanxi Province; and some other leading comrades attended yesterday's opening ceremony.

Xinjiang Leaders Stress Unity, Stability

*HK2201125890 Urumqi Xinjiang Regional Service
in Mandarin 1230 GMT 19 Jan 90*

[Excerpts] Regional party, government and military leaders this morning held a forum at the People's Auditorium to usher in the Spring Festival. The forum was going on in a simple but warm atmosphere. [passage omitted] The meeting participants expressed their resolve to maintain closer relations between the Army and the government and between the Army and the people, promote the unity of all nationalities, support each other and make common efforts to develop the region's political situation of stability and unity, do economic work well, raise the people's living standards, and consolidate frontier defense. Wang Enmao, vice chairman of the National Chinese People's Political Consultative Conference Committee and chairman of the regional advisory commission, attended the meeting together with leaders of the regional party committee; the regional advisory commission; the regional discipline inspection commission; the regional people's congress standing committee; the regional people's government; the regional Chinese people's political consultative conference committee; the Xinjiang Production and Construction Corps; the Xinjiang Military District; command post of air force units stationed in Urumqi and bases of the Commission of Science, Technology and Industry for National Defense and leading comrades of Urumqi City.

Regional party committee Secretary Song Hanliang spoke at the forum. On behalf of the regional party committee, the people's government, and the people of all nationalities in Xinjiang as well, he first extended best regards to all offices and men of PLA [People's Liberation Army] units stationed in Xinjiang and to retired veteran soldiers of the units. Song Hanliang said: Over the past few years PLA units stationed in Xinjiang have achieved outstanding successes in defending border areas, performing duties, conducting military training, dealing with emergencies in relief work, and building

spiritual civilization together with civilians. The region also achieved good successes in the past year. Song Hanliang pointed out in his speech that 1990 is a promising year. We should work hard to score greater successes than 1989. At the present moment, what is most important for us is to stabilize the political situation. Let the party, the government, and the Army unite as one to support each other, overcome difficulties, further consolidate the region's political situation of stability and unity, develop economic construction, improve the people's living standards and strive for new victories.

Speaking on the occasion, Gao Huanchang, commander of the Xinjiang Military District pointed out: In the new year we should further strengthen the unity between the Army and the government and between the Army and the people, as well as the unity of all nationalities, and bring the functions of the PLA into full play. No matter

how the international situation will change and no matter what evil wind will appear in society, he added, we will as always unite with the people of all nationalities in Xinjiang to maintain the stability of Xinjiang, defend the security of border areas, and guard the west gate of the motherland under the leadership of the regional party committee and government.

Comrade Wang Enmao spoke at the meeting too. He said: Supporting the Army, giving preferential treatment to families of revolutionary servicemen and martyrs, and supporting the government and cherishing the people is the glorious tradition of our party, government and the People's Army. As long as we can cement the unity between the Army and the government and between the Army and the people, as well as the unity of all nationalities, we will surely conquer all difficulties and obstacles and guarantee the smooth progress of socialist construction. [passage omitted]

Expanded Aid, Trade With East Europe Considered

Trade Statistics

OW1401090090 Taipei International Service in English
0200 GMT 13 Jan 90

[Text] Chairman of the Council for Economic Planning and Development Frederick Chien has said that the ROC [Republic of China] is considering allowing East European countries to apply for financial help to the International Economic Cooperation and Development Fund so as to strengthen bilateral relations through the use of loans and investment.

Chien told the press that, although Eastern European markets are not as large as Western European ones, the ROC could not ignore them for investment, export, and raw material import.

According to customs statistics, two-way trade between the ROC and Eastern Europe totalled \$500 million in the first 11 months of 1989, with an annual growth rate at 31 percent. Trade growth was especially notable with the Soviet Union, East Germany, and Poland. The ROC lifted its ban on direct trade and technical cooperation with seven Eastern European countries in March of 1988.

Five Nations Eligible

OW1901180990 Taipei CNA in English 1603 GMT
19 Jan 90

[Text] Taipei, Jan 19 (CNA)—The International Economic Cooperation Development Fund Steering Committee of the Republic of China [ROC] decided Friday to add Hungary, Poland, Yugoslavia, Czechoslovakia and East Germany to the list of countries which can apply for aid from the fund.

It also decided that loan periods can be extended to up to 25 years and the grace period increased to seven years from the current five. The loan ceiling for private-sector overseas investment will be set at 20 million U.S. dollars per application.

The meeting also decided to fund the establishment of an export processing zone in Panama.

The 30 billion NT dollar (about 1.2 billion U.S. dollar) fund aims to help friendly countries develop their economies through loans, joint ventures and technical cooperation.

Investment in Hungary

OW1801194290 Taipei CNA in English 1446 GMT
18 Jan 90

[Text] Taipei, Jan 18 (CNA)—Hungary is keen to profit from the experience of the Republic of China's [ROC's] small- and medium-sized businesses in order to revitalize the country's economy, a Foreign Ministry official said Thursday.

Wei Wu-lien, deputy director of the ministry's European Affairs department, said upon his return from a visit to

the region that the East European country, badly short of foreign exchange, also welcomed ROC manufacturers to invest there to [word indistinct] enter into joint ventures with their Hungarian counterparts.

Hungary particularly needs electric appliance products, Wei said. He suggested that local businessmen [word indistinct] fact-finding visit to that country in order to better understand the business and investment climate there.

Representative Office To Open

OW1901180390 Taipei CNA in English 1544 GMT
19 Jan 90

[Text] Taipei, Jan 19 (CNA)—A ranking official of the Republic of China's [ROC] Foreign Ministry said Friday that everything is set for the ROC to open a representative office in Hungary, the first of its kind in Eastern Europe.

The well-placed official said that only the name and status of the office has yet to be decided and that the two sides would continue negotiations on these issues.

Wei Wu-lien, deputy director of the Foreign Ministry's European Affairs Department, has discussed with Hungarian officials and business leaders various problems concerning the exchange of offices between the two countries, according to the official.

Direct Trade Studied

OW1901115790 Taipei Domestic Service in Mandarin
2300 GMT 17 Jan 90

[From the "National Hookup" program]

[Text] It has been learned that the Executive Yuan has instructed the Ministry of Foreign Affairs to assess, from a political viewpoint, the feasibility of opening direct trade with four socialist countries—the Soviet Union, Albania, North Korea, and Cuba. This represents a relatively big change in our country's foreign policy in recent years. Sources said that government policymakers believe that, in view of the current trend in the world and the changes in the international situation, our country should extend feelers widely as necessitated by reality. It is for this reason that the ministries and commissions concerned have been instructed to make an overall assessment of the feasibility of opening and expanding contacts with the Soviet Union and the three other countries.

Panama Technical Cooperation Accord Extended

OW1801193990 Taipei CNA in English 1443 GMT
18 Jan 90

[Text] Taipei, Jan 18 (CNA)—The Executive Yuan approved Thursday a 2-year extension of the Republic of China-Panama technical agreement, due to expire on November 12, 1989 [year as received].

The agreement, signed in late 1969, has been extended for nine times, this is the last extension the cabinet said.

Hong & Macao

Further Reportage on UK-PRC Basic Law Issues

Sub-Group Approves Draft

HK2101022290 Hong Kong SOUTH CHINA SUNDAY MORNING POST in English 21 Jan 90 pp 1, 2

[By Chris Yeung in Guangzhou]

[Text] A Beijing-appointed Basic Law sub-group has approved with dissenting votes a moderate pace of democratic reforms and a quasi-bicameral system for the post-1997 legislature.

The decision has provoked fierce criticism from four local drafters and leaders of the influential Group of 89 businessmen and professionals, who claim the mainland-dominated drafting panel has ignored local views.

The 16-member political sub-group agreed during its final session of a four-day meeting to adhere to its decision last month to limit the number of directly elected seats to the legislature in 1997 to 18, or 30 percent of the law-making body.

Of the remaining 42 seats, 30 should be selected by broadly representative functional constituencies, while the other 12 should be chosen by a broadly representative election committee.

Beginning from the second legislature in 1999, the number of directly elected seats should be increased to 24 (40 percent).

The share for election committee should be cut down to six, with the 30 functional seats remaining intact.

The election committee system will be abolished at the beginning of the third legislature in 2003, with the legislature then constituted by an equal number of directly elected and functional group representatives.

Although the pace of democracy is faster than the so-called "Cha Cha" proposal contained in the Basic Law draft, the latest package falls far short of local aspirations.

The Omelco [Office of Members of Executive and Legislative Councils] consensus calls for a fully directly-elected legislature to be in place by 2003, while the compromise "4-4-2" deal agreed by local conservatives, liberals and moderates features 50 percent of direct elections in 1999.

Neither of the two widely supported models call for a so-called separate voting mechanism within the legislature.

A total of 11 members, however, agreed to write in the post-1997 constitution that any government bills and private members' bills should first be tabled for voting separately among legislators representing functional

groups on one hand, and a combined group of members chosen through direct election and election committee on the other.

Any bills can only be passed by a simple majority of the two groups of legislators at meetings with a legal quorum.

Should any bills fail to be approved by any one of the two groups, they will be returned to the government.

Any amended bills made by the government will only have to be tabled to the whole legislature, requiring a simple majority of approval.

Key advocate of the Joint Committee on the Promotion of Democratic Government, Mr Yeung Sum, said in Hong Kong yesterday his group was "very dissatisfied" with the blueprint. He said the British Government should not accept the proposal and should insist on the Omelco blueprint.

Liberal leader Mr Szeto Wah said the model was against the wishes of Hong Kong people and called on them to press China for amendments.

The chairman of the Association for Democracy and People's Livelihood, Mr Frederick Fung Kin-kee, said the proposal would intensify Hong Kong's confidence crisis.

"The decision indicated that Britain could not reach consensus with China on the pace of democratic development. Both the governments have said they would go ahead with their models—that'll jeopardise local confidence," he said.

Legislative Councillor Mr Jimmy McGregor criticised the political model as "far too slow and complicated".

"There's room for manoeuvre...but we should not seek convergence at all costs," he said.

In another major decision yesterday, the sub group decided to amend its provisions to allow legislators elected through the election committee to the Legislative Council in 1995 to continue to serve until 1997, which was maintained by Chinese officials as one of their "concessions" made over the problem of convergence.

Disclosing earlier this week that China had made concessions during talks with the Governor, Sir David Wilson, senior mainland official Mr Li Hou said yesterday the changes to the future arrangement for the election committee and the speedier pace to democracy, as compared to the Cha Cha proposals, are their "concessions".

Mr Li said: "A separate vote-counting system provides a check and balance within different factions in the legislature and between the legislature and the executive branches.

"It helps to ensure stability. There are merits and no demerits. We're combining the merits of different models."

In the face of the serious split within the drafting body, he said they would forward the mainstream proposals and the minority views to the enlarged meeting of

chairman, vice-chairmen and convenors of all sub-group sat a three-day meeting tomorrow.

"We're strictly in accordance with the democratic procedure. The majority rules," he said.

Mr Li said the enlarged meeting would not overrule the decision of the sub-group but would decide whether to table all minority views for formal discussion and voting of the plenary session next month.

"I've no idea if the present mainstream model will be final. There's still the enlarged meeting and the plenum. I can't tell yet," he said.

Any proposals made by the sub-groups are considered as amendments and can only replace the proposals in the Basic Law draft if they received a two-thirds majority at next month's plenum, said Mr Li.

The Hong Kong co-convenor of the sub-group, Dr Raymond Wu Wai-yung, declined to attend the morning press briefing session after repeated requests made by his mainland counterpart, Mr Xiao Weiyun.

Dr Wu said: "I am afraid I would not be able to control myself from breaking into tears if I reported the decisions."

In an unusual move, Dr Wu and three local drafters—Mr Cha Chi-ming, Mr Wong Po-yan and Miss Maria Tam Wai-chu—said at an informal press conference they were obliged to report the voting results to Hong Kong people.

They were accompanied by four leading members of the group of 89.

Dr Wu then read a prepared statement: "As Hong Kong members of the political sub-group, we feel we must be accountable to the people of Hong Kong and therefore duty-bound to report the following facts.

"Firstly, in respect of the critical issue of separate voting mechanism, only one Hong Kong member cast the supporting vote. Secondly, in respect of the composition of the legislature, none of the Hong Kong drafters cast any vote of support (to the mainstream model)."

Of the other two local drafters, Mr Simon Li Fook-sean supported the separate vote-counting system, while Miss Liu Yiu-chu abstained because she "wants more time for consideration and a compromise among conflicting views".

Dr Wu said: "If they (China) want to force the model upon us, we have no recourse. We're always in the minority. I, personally, cannot accept the present proposals."

Miss Tam said: "The decisions will prompt Hong Kong people to wonder whether the voices of Hong Kong people are heard by Chinese leaders, and if so, how much they have heard.

"We try to send a strong message to the Chinese leaders to take a closer look at the views of Hong Kong people. We hope that those views will be heard at the plenary session.

"Of course, China and Britain have to co-operate for a convergence. But not everything should be converged. A reasonable system is good to a convergence. Some of the views (made by the sub-group) did not help a smooth convergence."

Stressing that they are still for the "4-4-2" model, the Group of 89 leaders expressed deep disappointment and were extremely angry over the separate vote-counting decision, which they say was in essence a bicameral model proposed by the New Hong Kong Alliance headed by Mr Lo Tak-shing.

Mr Vincent Lo Hong-siu said: "We're disappointed. We cannot support or accept it. It does no good to Hong Kong. It will deal another blow to public confidence. It contains strong features of the bicameral model."

Law Drafter Assails PRC

HK2201021590 Hong Kong HONGKONG STANDARD in English 22 Jan 90 p 1

[By Ma Miu-wah in Guangzhou and Yusuf Karamdin]

[Text] The rule of confidentiality for Basic Law drafters was broken last night as local drafter Dr Raymond Wu Waiyong accused the Chinese team of being suppressive and undemocratic in pushing their post-1997 political model at last week's meeting.

The unprecedented breach of confidentiality was intended to clarify the facts, said Dr Wu.

He said it was the mainlanders who first disclosed details of the meeting to reporters of the pro-Beijing newspaper WEN WEI PO yesterday.

He named two key mainland drafters, coconvener Mr Xiao Weiyun and Mr Lu Ping, as dictatorial and for suppressing suggestions made by locals during a meeting on Saturday when the political blueprint was finalised.

"This kind of mentality and attitude will be extremely disastrous to the future prospects of Hong Kong affairs" Dr Wu said.

"I have been very upset and desperate with their ways of handling the meeting."

He said mainland drafters had leaked information to WEN WEI PO on Saturday saying local drafters were confrontational.

"I think there is a need for things to be made clear and comprehensive to stop the public being misled."

According to Dr Wu, local drafters views were suppressed at Saturday's morning session.

After mainland drafter Mr Xu Chongde tabled a political model, local drafter Mr Cha Chi-min asked if he could deliver a three-minute speech. But he was turned down by mainland co-convenor Mr Xiao who said time was running out.

Dr Wu objected because he thought if more time was needed the sub-group could hold an additional meeting.

As an apparent protest to the separate voting system favoured by the 10 mainland drafters but opposed by the six Hong Kong representatives, Dr Wu suggested the vote be separately approved by both sides. This was first agreed by secretary general Mr Li Hou but then turned down by his deputy Mr Lu Ping.

Dr Wu, the newly appointed local convener of the Basic Law Drafting Committee's political subgroup, wept twice during the sub-group meeting and refused to hold a press briefing with his mainland counterpart, Mr Xiao Wei-yun.

Asked why the split between the locals and mainlanders did not emerge until now, after four years of co-operation, Dr Wu said: "There is mutual suspicion and mistrust.

"After the June 4 incident they cannot deny they feel the separate voting system is the only way to guarantee their control over the territory."

Dr Wu said he was not the first to break the rule of confidentiality under which drafters should not disclose what others said at the meeting.

He said he and three other locals, Miss Maria Tam, Mr Simon Wong Poyan and Mr Cha Chi-min, were opposed to the mentality of implementing some undesirable political system in Hong Kong after 1997 just because the mainlanders had to save face for the certain groups or individuals who proposed the two-house system. Dr Wu appeared to be referring to the New Hong Kong Alliance led by Mr Lo Tak-shing.

"We are not fighting for our own interest, we are against an invisible hand, a kind of attitude, we have to eliminate it," he said.

Mr Lu Ping, the Basic Law Drafting Committee deputy secretary-general, gave a firm "no" yesterday to local liberals' calls for the Basic Law blueprint proposals to be amended by today's "enlarged meeting of chairmen" in Guangzhou.

"The chairmen have no right to cancel or add anything," he said.

The top Basic Law drafting committee members begin a three-day session in Guangzhou today to review all the amendments made to the draft Basic Law and to set the agenda for the next plenary session in February.

The post 1997, political system, which has sparked off wide discontent in Hong Kong will, however, not be amended during the meeting.

Meanwhile, Senior Legislative Councillor Mr Allen Lee will question Prime Minister Mrs Margaret Thatcher when he and Dame Lydia Dunn meet her today to discuss Britain's intention to establish a democratic government in Hong Kong.

Mr Lee also said he was disappointed by the model of legislature adopted by the Basic Law Drafting Committee political subgroup in Guangzhou.

Mr Lee left for London last night to join Dame Lydia Dunn to lobby MPs and Mrs Thatcher to implement the Omelco [Office of Members of the Executive and Legislative Councils] consensus for the future legislature.

Legislators Attack Results

HK2201020790 Hong Kong HONGKONG STANDARD
in English 22 Jan 90 p 3

[By Paulette Flahavin]

[Text] Legislative Councillors yesterday said they were disappointed and frustrated that the Basic Law Drafting Committee's political sub-group had ignored Hong Kong people's desire for faster democratic reform.

Miss Maria Tam, Legislative Councillor and Basic Law drafter, said she understood China's fears behind such an arrangement but she was unable to find a solution to the problem.

She abstained from the vote because she was not sure about the best way to solve the problem.

"The matter needs more time for discussion," Miss Tam said.

"If, eventually, the arrangement was the final decision then it would be a matter in formulating future election regulation to control the number of foreign nationals in the legislature," she said.

On the sub-group's decision on the separate voting system, Miss Tam repeated her counter-proposal.

She suggested that the separate voting system should not be applied to Government bills but only to certain private bills or to amendments to existing official ordinance at the request of six legislators.

On the political model passed by the sub-group, Miss Tam stressed that confrontation and hostility would not lead to a stable transition for Hong Kong.

She said convergence had to be reached.

"We could not use a confrontational approach to persuade the mainland drafters, we have to explain to them what is the common interest of Hong Kong people and China," Miss Tam said.

Fellow Legislative councillor Mrs Elsie Tu said: "I don't know why we have Hong Kong people ruling Hong Kong in the Joint Declaration if in the end we have China deciding everything and ignoring public opinion in Hong Kong."

She questioned the purpose of the Basic Law Consultative Committee, set up after the signing of the Joint Declaration to determine Hong Kong people's views on their political future.

Mrs Selina Chow Liang Shuk-ye said Beijing had "chosen to ignore" even the views of Hong Kong's most conservative people.

"That's the saddest thing. I cannot understand what China wants. I have all along believed it wanted Hong Kong to be stable and prosperous. But they keep setting us back. I'm afraid this will be a blow to confidence," Mrs Chow said.

"The blueprint does not in any way do enough to ensure that we are reaching the goal of one country, two systems and Hong Kong people running Hong Kong.

"The Omelco [Office of Members of the Executive and Legislative Councils] model is trying to reach that goal. It is very important that whatever model we have has that objective in mind."

Mr Hui Yin-fat said that by ignoring the territory's desires, China had "humiliated and defeated" Hong Kong people. "The people representing us on the drafting committee are already very pro-China and even they find the blueprint unacceptable."

Of 14 councillors contacted, 12 were adamantly opposed to the separate voting process for directly elected and functional constituency representatives which would mean Government bills and motions would require the majority support of both groups to be passed.

Legislative and Executive Councillor Dr Daniel Tse called the voting procedure a "hidden trap" that went against Hong Kong people's desire for a "simple, transparent" democratic system.

Mr Ronald Chow Mei-tak said it was China's way of running Hong Kong by "remote control".

"I don't understand how a chief executive can really be responsible to the legislature when the system leads to conflict and division within the legislature," he said.

Mr Hui said Hong Kong people were totally unfamiliar with such a system and would therefore be opposed to it.

"Give us what we are used to. They promised 50 years of unchanged lives. They should give us as much unchanged as possible," he said.

Some councillors said the ruling restricting foreign nationals or Hong Kong people with right of abode in other countries to 15 percent of the legislature contravened the Joint Declaration.

"In the Joint Declaration, the nationality issue is not applied to the legislature," Ms Leung Wai-tung said.

Mr Martin Barrow said: "The whole key to Hong Kong's future is its strength as an international city. That is how Hong Kong benefits China. If an artificial restriction is placed on the kinds of talent available, then those Hong Kong people who return from Canada or elsewhere will be kept out of the legislative process, contrary to the Joint Declaration."

Both Mrs Chow and Mrs Nellie Fong Wong Kut-man said Hong Kong people should be allowed to determine if they want legislators with foreign passports or not.

Mrs Chow was also dismayed that Mr Li Hou, vice director of the State Council's Hong Kong and Macao Affairs Office, had admitted the restrictions were in retaliation to Britain's nationality package.

"China has totally failed to acknowledge the very deep confidence and brain drain problem we face. It has failed to see that what we have managed to secure from Britain is something to ensure stability," she said.

Further Legislator Reaction

HK2301031190 Hong Kong HONGKONG STANDARD
in English 23 Jan 90 pp 1, 3

[By Yue Sin-yui and Ngo Tak-wing in Hong Kong and Ma Miu-wah in Guangzhou]

[Text] The mainstream post-1997 political model endorsed last week by Basic Law drafters has been termed unacceptable and rejected outright by Hong Kong's Executive and Legislative Councillors.

They also said the restrictions on the nationalities of future legislators contravened the Sino-British Joint Declaration both in letter and in spirit.

The official stance of the councillors was disclosed after a joint meeting of the Omelco [Office of Members of the Executive and Legislative Councils] Constitutional Development Panel and the Special Working Group on Nationality.

Other local groups and community leaders continued their attacks on the "undemocratic model" for Hong Kong.

Six district board chairmen also joined the chorus of criticism against the political blue-print decided by the Basic Law Drafting Committee's political sub-group in Guangzhou.

In Guangzhou, an enlarged meeting of key officials of the Basic Law Drafting Committee, chaired by senior Chinese official Mr Ji Pengfei, opened a three-day session yesterday to discuss revisions of the draft.

Officials said the current meeting was not likely to make revisions to the key provisions in the Basic Law draft, but tidy it up before the coming plenary session next month.

A Foreign Office spokesman in Hong Kong also said the Sino-British discussions on Hong Kong's political developments were still continuing in Beijing.

The spokesman said the discussions were being conducted in Beijing through the British Ambassador to China, Sir Alan Donald.

After the joint meeting of the two Omelco groups, a convener of the nationality special working group, Mrs Rosanna Tam, said they could not accept the mainstream model because it did not reflect the wishes of the Hong Kong people.

"That neither the Omelco nor the 4-4-2 models were raised or discussed in the Basic Law sub-group meeting reflects the total disregard of the drafters for the wishes of the Hong Kong people," Mrs Tam said.

She said they were disappointed that none of the widely supported political models were mentioned at the meeting. She added that the three models that were raised by the Hong Kong drafters were as unsatisfactory as the mainstream model.

She said the pace of the mainstream model was slow and undemocratic and it had left out the ultimate aim stated in Article 67 of the second draft of the Basic Law: that members of the Legislative Council would be selected by elections.

The convener of the Constitutional Development Panel, Mr Andrew Wong, said the separate voting system included in the mainstream model was a two-house model in disguise and deviated from the present voting mechanism.

Mrs Tam said that the prohibition against the future legislature having more than 15 percent of its seats occupied by foreigners, was in breach of the Joint Declaration. "The restriction in the mainstream model is in breach of the Joint Declaration in letter and in spirit."

The councillors said passage of the mainstream model was a severe blow to the confidence of Hong Kong people and they demanded the drafters amend the model so that the concept of "one country, two systems" could be implemented.

Mr Wong said they still regarded the Omelco model as good and representative, and they hoped the two senior members lobbying in London would make the British government understand the wishes of the people of Hong Kong.

They also urged Hong Kong people to make a last-ditch effort to get their views across to the Chinese government

Legislator and former drafter Mr Martin Lee described the mainstream model as a "Beijing model" and expressed his disappointment over it.

He said the mainstream model "profoundly diverges" from the Joint Declaration

"Anything less than the Omelco or the 4-4-2 model is not acceptable," he said.

Editorial Criticizes Draft

HK2301031390 Hong Kong HONGKONG STANDARD
in English 23 Jan 90 p 10

[Editorial: "Mainland Must Get the Message"]

[Text] For the people of Hong Kong, there is not even the slightest shaft of light at the end of the Basic Law tunnel. Deliberations over the past four years culminated at the

weekend in a draft political model that ignores completely the aspirations of the people here.

That the mainland Chinese drafters were unwilling even to consider any of the political models put forward by the Hong Kong side should have come as no surprise. After all, they were reflecting the view from Beijing: stubborn adherence to a hardline policy that, with each turn on the road to 1997, wears down the very fabric of Hong Kong.

What the drafters have come up with is little more than a poor excuse for democracy. As almost a backward step, the adopted blueprint limits the number of directly elected seats to the legislature in 1997 to 18, or 30 percent of the law-making body.

If the draft is eventually ratified, there would be an equal division between directly-elected and functional constituency legislators—with 30 seats each—by the year 2003. Foreign nationals or those with right of abode in other countries will be restricted to 15 percent of the legislature.

The drafters have also recommended a separate voting process for directly elected and functional constituency representatives. Government bills and motions would not pass unless supported by both. This is seen in some quarters as a throwback in all but name to the discredited two-house model suggested last year.

There can be no doubt that the approval of the mainstream political model has accentuated the divergence among the Basic Law drafters. All 10 mainland participants voted for the blue-print; none of the six Hong Kong delegates supported it.

The progress of the talks since June 4 has been described by one analyst as "a revolution of lowered expectations". As Legislative Councillor Mr Martin Lee put it: "Instead of a high degree of autonomy, what we are getting from the Basic Law is a high degree of control."

No wonder then that two of Hong Kong's Basic Law drafters cried when they were made aware of China's decision. There were many in Hong Kong who would share that emotion.

But the question thrown up by this latest slap in the face for the industrious six million people of Hong Kong is, why? Why does Beijing seem intent on squeezing from this place the desire and ambition to build a society that would work in partnership with the mainland after 1997?

Some say the Chinese act as they do as part of the political negotiating game with Britain. Others insist that the Beijing hardline leaders are well aware of their actions and are prepared to sacrifice Hong Kong on the altar of Chinese communist doctrine.

"Although China does not, of course, want to take Hong Kong back as an unworkable, demoralised territory," says BBC Beijing correspondent Mr Simon Long, "it would rather do that at present, it seems, than accept anything that impinges upon its own perception of what its sovereignty entails."

No matter what the theories, it is the people of Hong Kong who are suffering at the moment. And there would appear to be no respite.

After a final meeting of the Basic Law Drafting Committee next month, the draft will go for ratification to the National People's Congress, which begins in late March and ends in mid-April. And, on past showings, there is no way they will soften their approach to our aspirations for a faster pace of democracy.

Hong Kong people now will be looking to London. UK Foreign Secretary Mr Douglas Hurd revealed during his recent visit here that Britain's blueprint for political change in the territory would be ready "within weeks". Which way will London jump? Convergence (in other words, accept without comment Beijing's view); or confrontation (introduce a political model that meets our aspirations and challenges Beijing's dogmatic line)?

While this newspaper believes that only co-operation with our giant neighbour will guarantee a lasting and equitable future, the time has come for tough talking.

Beijing has done enough damage to the well-being of this place. At this critical juncture in our relationship, both Hong Kong and Britain must get the message across to the mainland that the people of this territory are fed up with the constant onslaught on their confidence. Enough is enough.

PRC Ignores Resignation Threat

HK2401013190 Hong Kong HONGKONG STANDARD
in English 24 Jan 90 p 1

[By Ma Miu-wah in Guangzhou]

[Text] Senior Chinese official Mr Li Hou said yesterday Beijing would not be "scared off" by resignations of local Basic Law drafters.

He was responding to a call from a local drafter Mr Sanford Yung for mass resignations of drafters to protest against the dictatorial attitude of mainland drafters.

Mr Li, the Basic Law Drafting Committee's secretary-general, said: "Anyone has the freedom to resign. Whoever wants to resign can do as one likes, but we hope not to see it.

"Neither will we be scared off by the resignations because exerting pressure on us in such a way just doesn't work," he said.

Mr Li called on Mr Yung to calm down.

"But I don't believe that all drafters will resign," said Mr Li, also a vice director of the State Council's Hong Kong and Macao Affairs Office (HKMAO).

He also rejected suggestions by the Omelco [Office of Members of the Executive and Legislative Council] constitutional development panel that nationality

restrictions proposed for post-1997 legislators contravened the Joint Declaration. Drafters decided that foreign abode holders should make up no more than 15 percent of the legislature.

Mr Li said the declaration made no clear stipulation on this point.

He reiterated that the British offer of full citizenship for 225,000 Hong Kong people did contravene the declaration.

Mr Li said that Omelco's strong objections to the post-1997 political model proposed by drafters was expected.

"We don't agree with the so-called Omelco consensus and they disagree with our mainstream model. This is within our expectation," he said.

He reiterated that compromise could only be achieved by efforts from both sides, and China was still waiting for Britain to respond.

In response to Mr Yung's resignation call, local drafter Mr Lau Wong-fat said it was not a realistic option.

He said that although he was dissatisfied with the attitude of the Chinese side, he doubted the usefulness of resignations by just two or three members, unless all local members resigned at the same time.

He added that resignations would give the public the impression that the drafters had not fulfilled duties.

Another local drafter, Miss Maria Tam, who is also a member of the drafting committee's political sub-group, refused to say whether she would resign.

"If you want to ask me about resignation, just pretend you cannot get in touch with me," she said.

"My job is to do the Basic Law drafting exercise, not to answer press inquiries."

On the latest row over the post-1997 mainstream political model, the Governor Sir David Wilson yesterday urged the Basic Law drafters to take account of the strong views expressed in Hong Kong.

Speaking after an Executive Council meeting, Sir David said he hoped when the Basic Law Drafting Committee holds its plenary session in February, the drafters would take account of the views which had been expressed strongly in Hong Kong.

UK Clarifies Abode Package

HK2401013390 Hong Kong HONGKONG STANDARD
in English 24 Jan 90 p 1

[By Fan Cheuk-wan]

[Text] Nurses, accountants, auditors and computer specialists will be given top priority under Britain's right of abode scheme for Hong Kong.

Director of Administration, Mr Donald Tsang Yam-kuen, said these professions were being given priority because they suffered most from emigration wastage.

Speaking after a week in London finalising details for the package, he said the official rate of emigration of key professions would be most important in the qualifying points system the Hong Kong Government was proposing.

But on arrival in Hong Kong, Mr Tsang admitted that Indians and the families of top policemen would be included in the package, confirming the earlier report in the HONGKONG STANDARD that the British Government has decided to lump together those who have already been promised full UK citizenship under the 50,000 heads of household plan.

The inclusion of these people in the right of abode package means that far fewer than 50,000 families will be granted the right to settle in Britain.

Mr Tsang, led a team of Hong Kong officials to London for meetings with Home Office officials.

Before leaving London, he said he had discussed the points system and procedures to implement the abode package.

"The Hong Kong Government has drafted a blueprint on the points system, but the details of the selection criteria for various professions require more study and discussion with the Home Office," Mr Tsang said.

A team of Home Office officials would have leave London for Hong Kong after the Lunar New Year for a second round of meetings with Hong Kong officials.

Mr Tsang's trip was the first in a series of technical discussions between London and Hong Kong on how the package should be implemented and he expected the talks to take place once every three to four weeks until the bill is tabled in Parliament around Easter.

He said the proposed points system gave top priority to professions hardest hit by the brain drain. Also considered would be the ease with which the professions found replacements.

He said the Government would announce the official statistics on emigration of various professions at the same time details of how the package was to be implemented were announced.

He expected the announcement sometime in March.

Up to 225,000 Hong Kong people will be granted full British passports under the right of abode package. The scheme is aimed at curbing the territory's serious brain drain problem.

Mr Tsang said both the Hong Kong and British Governments wished to complete details as soon as possible to prepare for the debate on the draft bill which is to be tabled in the House of Commons.

"I hope the first batch of British passports will be granted within six months after the House of Commons passes the bill. The first British passport under the right of abode scheme is expected to be issued before next Christmas."

Mr Tsang could not provide a figure for the first batch of British passports to be issued, but said it should be "rather high".

Also discussed with the Home Office was a proposal to set up a joint Hong Kong-British office to deal with implementation of the scheme.

"It is yet to be worked out whether the Home Office will set up the joint office; whether the Hong Kong Government will send representatives to work with that office; whether the implementation procedures will be carried out in London or in Hong Kong."

Mr Tsang personally opted for Hong Kong because of the complicated, sensitive and confidential nature of the proceedings.

"We must keep the whole implementation procedures open, fair and just," he said. Immigration Department staff will be boosted to cope with the expected workload.

Since the beginning of the month, Hong Kong Government officials in London have been lobbying Members of Parliament opposed to the nationality package.

Beijing Holds Talks With UK

HK1901024590 Hong Kong HONGKONG STANDARD
in English 19 Jan 90 p 3

[By Ma Miu-wah in Guangzhou]

[Text] China is holding talks with Britain over the convergence of political development in Hong Kong but a Chinese official yesterday declined to disclose its details.

Senior Chinese official Mr Lu Ping said disclosing details may not help the negotiations.

It is understood the talks are being conducted in Beijing, probably through the British Embassy in the Chinese capital.

Speculation surrounds the unusual absence of the Basic Law Drafting Committee secretary-general, Mr Li Hou, from the first two days of this week's sub-group meeting in Guangzhou.

He was expected to arrive by today.

It is not known whether Mr Li, a senior official in charge of Hong Kong affairs, was involved in any secret talks on the question in Beijing.

Mr Lu said Mr Li was delayed in Beijing only to receive visiting Hong Kong business tycoon Mr Li Kashing.

Mr Lu denied Mr Li would arrive in Guangzhou with the latest political model agreed between China and Britain.

Mr Lu also promised that China would not betray Hong Kong people when drawing up the territory's post-1997 political blueprint.

His remark came after a similar assurance by the Hong Kong Governor, Sir David Wilson, two days ago, at a time when China and Britain were also making efforts to work out political convergence between the pre and post-1997 systems.

Both sides were tightlipped over whether a deal was already struck and what any agreement may entail.

Although the Basic Law Drafting Committee political sub-group has been meeting for two days, it has not yet touched on the most controversial areas.

These are the composition and evolution of the post-1997 legislature, as well as the way the chief executive is elected.

Mr Lu, a deputy secretary-general of the committee, said the Sino-British diplomatic talks would not have any effect on the drafting process.

"We have to produce a final blueprint in this meeting," he said.

The sub-group meeting ends tomorrow.

Asked whether the blueprint they produced could be revised later if the two countries reached some agreement, Mr Lu was non-committal and said only that this was a hypothetical question.

In theory, there is still a chance for the blueprint be [as published] revised when the Basic Law Drafting Committee holds its final plenary session next month.

At the forthcoming meeting, the 51 drafters will come to a show of hands over the final draft of the Basic Law.

There is widespread concern in Hong Kong over whether China and Britain will ignore or betray the wishes of the territory's people, generally regarded as wanting a quicker pace of political reform.

Some fear that Britain might bow to Chinese pressure and stop pressing for a more democratic system which would be unacceptable to the mainland.

Mr Lu said yesterday: "No one intends to betray the Hong Kong people."

"We are all striving to maintain the prosperity and stability of Hong Kong."

"Our greatest common interest rests on Hong Kong."

Meanwhile, a local drafter and Executive Councillor, Miss Maria Tam, said she hoped to see political convergence achieved.

She said she hoped composition and the operation of the legislature would be the same both before and after 1997.

She also said she wanted to see the formation of a grand electoral college by 1995 to elect some Legislative Council members, and so achieve convergence with the post-1997 system.

Bill of Rights Delayed

HK2401012790 Hong Kong HONGKONG STANDARD
in English 24 Jan 90 p 5

[By Yue Sin-yui]

[Text] The second draft of Hong Kong's Bill of Rights went to the Executive Council yesterday, but councillors said they needed more time to consider it.

They rejected the first draft two weeks ago and are expected to reconsider the revised draft next month.

It is expected the administration will have to deal with public demand for explanations over the watered down Bill of Rights.

In October last year, Attorney-General Jeremy Mathews said the Bill of Rights would be supreme over all laws made by the Hong Kong legislature.

But the word "supremacy" has not been used by the administration since a warning from mainland Basic Law drafters that no law could be supreme, except the Basic Law.

The Hong Kong Government began to replace the term "supremacy" with words such as "overriding" or "superiority".

But in effect, the Bill of Rights will have no legal superiority.

In the second draft of the Bill of Rights, it is explained it should be the yardstick by which all other local laws are measured.

The legislature can still pass laws that are inconsistent with the Bill of Rights, but at the risk of offending the public. And the courts have the right to give their own verdicts.

"Such guidance has no legal binding," sources admitted.

Unless the Bill of Rights was inserted into the Basic Law, it would be hard to prevent amendments being made to it, sources said.

The purpose of the Bill of Rights is to enable people to seek redress in the courts in the event of their rights being violated.

The Government plans to enact the Bill of Rights before July.

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